Arshiya

September 7, 2023

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051, India
Scrip Code: ARSHIYA

Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001
Scrip Code: 506074

Subject: Annual Report for FY 2022-23 and Notice of the 42nd AGM

Dear Sirs /Madam,

Please find attached herewith a copy of the Annual Report for Financial Year 2022-23 of Arshiya Limited ('**the Company**') along with the Notice of the 42nd Annual General Meeting ('**AGM**)' of the Company, which is being sent through electronic mode only to the members whose e-mail addresses are registered with the Company / Registrar and Transfer Agent / Depository Participants.

Please note that the 42nd Annual General Meeting (AGM) of the Company will be held on Friday, 29th September, 2023 at 03:00 P.M. (IST) through Video Conferencing / Other Audio Visual Means, without physical presence of the members at a common venue in accordance with the applicable provisions of the Companies Act, 2013 and rules framed thereunder read with General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April 2020, followed by General Circular No. 20/2020 dated 5th May, 2020 and subsequent circulars issued by the Ministry of Corporate Affairs in this regard, the latest being 10/2022 dated 28th December, 2022.

This disclosure is being made in accordance e provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The copy of the Annual Report along with the Notice of the 42nd AGM is also available on the website of the Company i.e. www.arshiyalimited.com and on the website of National Securities Depository Limited (NSDL) at www.evoting.nsdl.com.

Kindly take the same on record.

Thanking you.

For ARSHIYA LIMITED

AJIT DABHOLKAR
Digitally signed by AJIT DABHOLKAR
Date: 2023.09.07 22:13:19 +05'30'

ARSHIYA LIMITED MUMBAI

Ajit Dabholkar
Company Secretary & Compliance Officer
Membership No: F4424

Arshiya Limited
Regd. Off.: 205/206 (Part), 2nd Floor, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai - 400018. India.
T: +91 22 4230 5500 | F: +91 22 4230 5555 | Email: info@arshiyalimited.com | www.arshiyalimited.com
CIN : L93000MH1981PLC024747

ARSHIYA LIMITED

Arshiya

ANNUAL REPORT 2022-23

Company Highlights
Arshiya's Integrated Service Advantages

Free Trade and Warehousing Zones

Transport & Handling

Domestic Warehouse

Inland Container Depot

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Introduction to FTWZ (Free Trade Warehousing Zones)

- **Free Trade Warehousing Zone** where trading, warehousing & other value-added activities are carried out
- **'Deemed foreign territory'** within the geography of India for the purpose of tariff & trade

FTWZ Intended for

- To make India a **global trading hub** like Dubai, Singapore, Shanghai etc.,
- To **facilitate import & export** of goods & services with freedom to carry out trade transactions in **free currency.**
- To create **world-class infrastructure** for **warehousing** & **trading.**
- To introduce **one-stop solution** for imports & exports.

Offering to customers

A host of **'Value-Added Services'** permitted within FTWZs gives them a unique edge to optimize supply chains of businesses

- Storage
- Handling
- Transportation
- Documentation
- Tagging & Labeling
- Packing
- Bottling
- Packaging
- Painting
- Cutting
- Palletization
- Quality Assurance
- Manufacturing
- Refurbishment, Repairs & Maintenance

Arshiya

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CORPORATE INFORMATION

Board of Directors

Mr. Ajay S Mittal	Chairman & Managing Director
Mrs. Archana Mittal	Joint Managing Director
Mr. Ashishkumar Bairagra	Independent Director
Mr. Rishabh Shah	Independent Director
Mr. Ved Prakash	Independent Director
Dr. Ms. Priya Kenkare	Independent Director (Appointed w.e.f. 7th October 2022)
Mr. Kiran Shinde	Independent Director (Resigned w.e.f. 7th April 2023)

Key Managerial Personnel (KMP)

Mr. Dinesh Kumar Sodani	Chief Financial Officer (CFO)
Mr. Ajit Dabholkar	Company Secretary & Compliance Officer (Appointed w.e.f. 12th February 2023)

Statutory Auditors:
N A Shah Associates LLP.,
Chartered Accountants, Mumbai

Internal Auditors:
M/s. M S K A & Co.,
Chartered Accountants, Mumbai

Secretarial Auditors:
M/s. Aabid & Co.,
Practicing Company Secretaries,
Mumbai

Bankers:
Axis Bank Limited
ICICI Bank Limited
State Bank of India
IDFC First Bank Limited
Punjab National Bank
Union Bank of India
(e-Corporation Bank)

Registrars & Share Transfer Agents:
Bigshare Services Private Limited
S6 – 2 Pinnacle Business Park, Mahakali Caves Road, Next to Ahura Centre, Andheri (E),
Mumbai – 400 093
Tel: 91 22 62638200
Fax: +91 22 62638299
E-mail: info@bigshareonline.com

Registered office:
205 & 206 (Part), 2nd Floor, Ceejay House, F-Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400 018.
T: +91 22 4230 5500
F: +91 22 4230 5555
Website: www.arshiyalimited.com
e- Mail: teamsecretarial@arshiyalimited.com
CIN NO: L93000MH1981PLC024747
GSTIN: 27AAACI2679A1ZT

Arshiya Sites:

FTWZ - Panvel, Maharashtra
181/3, Sai Village, Taluka Panvel,
Dist Raigad, Raigad,
Maharashtra – 410 206

FTWZ - Khurja, Uttar Pradesh
Junction Road, Industrial Area, Village - Maujpur,
Khurja, Distt - Bulandshahr, U.P -203 131

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 42ND (FORTY-SECOND) ANNUAL GENERAL MEETING ('**AGM**') OF THE MEMBERS OF ARSHIYA LIMITED WILL BE HELD ON FRIDAY, THE 29TH SEPTEMBER 2023 AT 03:00 P.M. (IST) THROUGH VIDEO CONFERENCING ("VC") / OTHER AUDIO-VISUAL MEANS ("OAVM"), TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. **To receive, consider and adopt** (a) the audited standalone financial statement of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2023 and the report of Auditors thereon and, in this regard, to consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:

   a) "**RESOLVED THAT** the audited standalone financial statement of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

   b) "**RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended March 31, 2023 and the report of Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.".

2. **To re-appoint Mrs. Archana A Mittal (DIN: 00726808), as director liable to retire by rotation:**

   To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 152 and all other applicable provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mrs. Archana A Mittal (DIN: 00703208), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company, who is liable to retire by rotation".

SPECIAL BUSINESS:

3. **Appointment of Statutory Auditors to fill casual vacancy on resignation:**

   To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 139 & 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment thereto or re-enactment(s) thereof for the time being in force), M/s. A R T H A and Associates., Chartered Accountants having Firm Registration No. 138552W, be and are hereby appointed as Statutory Auditors of the Company to fill up the casual vacancy caused due to resignation of erstwhile Statutory Auditors of the Company with effect from close of working hours on August 14, 2023, to hold office till the conclusion of this 42nd Annual General Meeting, at such remuneration as may be determined by the Board of Directors."

4. **To appoint M/s. A R T H A and Associates., as Statutory Auditors of the company:**

   To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 139 & 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], M/s. A R T H A and Associates., Chartered Accountants having Firm Registration No. 138552W, be and are hereby reappointed as the Statutory Auditors of the Company for the first term of five (5) consecutive years, to hold office from the conclusion of this 42nd Annual General Meeting until the conclusion of the 47th Annual General Meeting to be held in the year 2028 on remuneration of ₹ 36,00,000/- (Rupees Thirty Six Lakh only) for FY 2023-24 plus applicable taxes and actual out of pocket expenses and on such remuneration, as may be determined by the Board of Directors of the Company for subsequent financial years."

By order of Board of Directors of Arshiya Limited

Date: 14th August 2023
Place: Mumbai

Ajay S. Mittal
Chairman & Managing Director
DIN: 00226355

Registered Office:

ARSHIYA LIMITED
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205 and 206 (part), 2nd Floor, Ceejay House, F-Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai – 400 018.
CIN: L93000MH1981PLC024747
Email: teamsecretarial@arshiyalimited.com
Website: www.arshiyalimited.com
Tel: +91 22 4230 5500

NOTES:

1. The Ministry of Corporate Affairs, inter alia, vide its General Circular Nos. 14/2020 dated 8th April, 2020 and 17/2020 dated 13th April, 2020, followed by General Circular No. 20/2020 dated 5th May, 2020 and subsequent circulars issued in this regard, the latest being 10/2022 dated 28th December, 2022 (collectively referred to as "MCA Circulars") has permitted the holding of the general meetings through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") without the physical presence of the members at a common venue. Accordingly, the 42nd Annual General Meeting ("AGM") of the Company is being convened through VC / OAVM. In accordance with the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") read with Guidance / Clarification dated 15th April, 2020 issued by the ICSI, the proceedings of the 42nd AGM shall be deemed to be conducted at the Registered Office of the Company situated at, Maharashtra, India.

   Further, the Securities and Exchange Board of India, vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 and subsequent circulars issued in this regard, the latest being SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 ("SEBI Circulars") has given relaxation from sending hard copy of Annual Reports containing salient features of all the documents prescribed in Section 136 of the Companies Act, 2013 ("Act") and proxy forms as required under Regulation 44(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") to the members who have not registered their e-mail addresses in case of general meetings held through electronic mode.

2. In pursuance of section 112 and section 113 of the Companies Act, 2013, the Institutional investors and Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Corporate Members are required to send, (before e-voting/ attending AGM) a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM, pursuant to section 113 of the Act sent to the Scrutinizer by email through its registered email address to jog@aacs.in with a copy marked to evoting@nsdl.co.in and teamsecretarial@arshiyalimited.com.

3. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the Annual General Meeting.

4. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of ordinary/special businesses to be transacted at the meeting, is annexed hereto. Further, the particulars of the Director proposed to be reappointed/appointed, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India, are annexed hereto.

5. The Members attending the 42nd AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2022 and the Circulars issued by the Ministry of Corporate Affairs as mentioned above, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM, on all the resolutions set forth in this Notice, will be provided by NSDL.

7. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. The process and instructions for remote e-voting are provided in the subsequent pages. Such remote e-voting facility is in addition to voting that will take place at the 42nd AGM being held through VC.

8. Members joining the meeting through VC, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have casted their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.

9. Pursuant to the provisions of Section 91 of the Act and Regulation 42 of the Listing Regulations, the Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 23rd September 2023 to Friday, 29th September 2023 (both days inclusive) for the purpose of the ensuing 42nd AGM.

10. In line with the MCA Circulars, the notice of the 42nd AGM along with the Annual Report 2022-23 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may please note that this Notice and Annual Report 2022-23 will also be available on the Company's website www.arshiyalimited.com , websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com .

11. The physical copies of notice of 42nd AGM and the Annual Report 2022-23 shall be open for inspection at the Registered Office of the Company during business hours between 11.00 A.M. to 1.00 P.M. except on holidays, up to the date of the AGM.

12. The Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013 will be available for inspection by Members electronically from the date of dispatch of Notice till Monday, 4th September 2023. Members seeking to inspect such documents can send an email to teamsecretarial@arshiyalimited.com in that regard.

13. Electronic copies of all the documents referred to in the accompanying Notice of the AGM and Annexure to Notice shall be made available for inspection. During the 42nd AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act; the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act. Members desiring inspection of statutory registers and other relevant documents may send their request in writing to the Company at teamsecretarial@arshiyalimited.com .

14. The Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Investor Relations Department of the Company, at teamsecretarial@arshiyalimited.com at least 7 days before the date of the meeting (i.e on or before Friday, 22nd September, 2023), to enable the Company to make available the required information at the meeting, to the extent practicable.

15. The Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company at teamsecretarial@arshiyalimited.com also to our Registrar & Transfer Agent (RTA) Bigshare Services Private Limited at prasadm@bigshareonline.com along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (i.e.: Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participants. In case of any queries / difficulties in registering the e-mail address, Members may write to our RTA Bigshare Services Private Limited at prasadm@bigshareonline.com & to the Company at teamsecretarial@arshiyalimited.com.

16. The Members can join the 42nd AGM through the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the 42nd AGM through VC / OAVM will be made available to at least 1000 members on a first-come-first-served basis, however this limit does not include large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first-come-first-served principle.

17. All persons whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date namely Friday, 22nd September 2023 only shall be entitled to vote at the Annual General Meeting by availing the facility of remote e-voting or by voting at the Annual General Meeting.

18. The Securities and Exchange Board of India (SEBI) vide its circular dated April 20, 2018, has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to RTA/ Company by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative Members are requested to submit a copy of bank passbook / statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.

19. Members are requested to send all communications relating to shares and unclaimed dividends, change of address, bank details, email address etc. to the Registrar and Share Transfer Agents, Bigshare Services Private Limited at prasadm@bigshareonline.com. If the shares are held in electronic form, then change of address and change in the Bank Accounts etc. should be furnished to their respective Depository Participants (DPs).

20. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or RTA for assistance in this regard.

21. The Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, Bigshare Services Private Limited at prasadm@bigshareonline.com .

22. Members may please note that the SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2022/8 dated 25th January, 2022 has mandated the listed companies to issue the securities in dematerialized form only while processing the service requests viz. issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal / exchange of securities certificate, endorsement, subdivision / splitting of securities certificate, consolidation of securities certificates / folios, transmission and transposition received from the shareholder / claimant. The relevant forms can be downloaded from the Company's website available under "Investor Relation" section. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR-4. It may be noted that any service request can be processed only after the folio is KYC compliant. Upon receipt of service request(s) from shareholder / claimant, the RTA of the Company shall verify and process the said request and after removing objections, if any, shall intimate the shareholder / claimant about its execution / issuance of new certificate as may be applicable. The RTA shall retain the physical Share Certificate with them and shall issue 'Letter of Confirmation' to the shareholder / claimant in lieu of physical share certificate(s). The shareholder / claimant shall lodge a request for dematerialization of shares along with the original Letter of Confirmation received from the RTA within 120 days (One Hundred and Twenty days) of issue of the Letter of Confirmation to his Depository Participant (DP). In case the shareholder / claimant fails to submit the demat request within the aforesaid period, the Company shall credit shares to the Suspense Escrow Demat Account of the Company opened for the said purpose. In order to comply with the aforesaid circular, the Company through its RTA has dispatched letters to the shareholders who are holding shares in physical mode and whose KYC & Nomination details are yet not updated completely, excluding transmission cases, through ordinary post requesting shareholders to update their PAN, KYC & Nomination details.

23. The Members can also provide their feedback on the shareholder services of the Company using the 'Shareholders Satisfaction Survey' form available on the 'Investor Relations' page of the website of the Company at www.arshiyalimited.com This feedback will help the Company in improving Shareholder Service Standards.

24. Since, this AGM will be held through VC, no attendance slips and route map of the venue for AGM are enclosed with this notice.

The Instructions for members for remote e-voting and joining the AGM through VC/OAVM are as under:

Pursuant to the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations, (as amended), the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has availed services of National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using a remote e-voting system as well as voting on the date of the AGM will be provided by NSDL.

The remote e-voting period begins on Tuesday, September 26, 2023 at 9:00 A.M. and ends on Thursday, September 28, 2023 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e. Friday, September 22, 2023, may cast their vote electronically. The voting right of members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

The details of the process and manner for remote e-voting are explained herein below:

How do I vote electronically using the NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system:

i) Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in demat mode:

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider ("ESP") thereby not only facilitating seamless authentication but also ease and convenience of participating in the e-voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-voting facility individual Shareholders holding securities in demat mode with NSDL.

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

ii) Login Method for e-Voting for joining virtual meetings for Shareholders other than Individual shareholders holding securities in demat mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open a web browser by typing the following URL: https://www.evoting.nsdl. com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl. com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a. For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
b. For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************

5. Password details for shareholders other than Individual shareholders are given below:

   a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c. How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www. evoting.nsdl.com.

   b) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc

   c) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meetings on NSDL e-Voting system:

How to cast your vote electronically and join General Meetings on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and cast your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for those shareholders whose email ids are not registered with the Depositories for procuring User id and Password and Registration of e-mail ID's for e-voting for the resolutions set out in this Notice of 42nd AGM:

1. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to teamsecretarial@arshiyalimited.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step-1 (i) i.e. Login method for e-Voting for Individual members holding securities in demat mode.
2. Alternatively, shareholder/member may send an e-mail request to evoting@nsdl.co.in for procuring User ID and password for e-voting by providing above mentioned documents.
3. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. members are required to update their mobile number and email ID correctly in their demat account to access e-Voting facility.

The instructions for members for e-voting on the day of the AGM are as under:

1. The procedure for e-Voting on the day of the AGM is the same as the instructions mentioned above for remote e-voting.
2. Only those Members, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free No. 022-48867000 or 022-24997000 or send a request to Mr. Amit Vishal, Asst. Vice President - NSDL at evoting@nsdl.co.in.

General Guidelines for shareholders

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting. nsdl.com to reset the password.

Other Instructions:

1. The Company has appointed CS. Mr. Mohammed Aabid, Practicing Company Secretary (Membership No. F6579 and Certificate of Practice No. 6625), Partner of M/s. Aabid & Co., Company Secretaries, as scrutiniser (the 'Scrutiniser') for conducting the e-voting and remote e-voting process for the AGM in a fair and transparent manner.

2. The Scrutinizer shall within two working days of conclusion of the meeting submit a consolidated scrutiniser report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

3. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail at jog@aacs.in with a copy marked to evoting@nsdl.co.in and teamsecretarial@arshiyalimited.com Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

4. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.valiantorganics.com and on the website of NSDL www.evoting.nsdl.com.The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

5. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to NSDL team at evoting@nsdl.co.in

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members will be able to attend the AGM through VC / OAVM at www.evoting.nsdl.com by using their remote e-voting login credentials and selecting the EVEN for Company's AGM. The link for VC/OAVM will be available in shareholder/ members login where the EVEN of the Company will be displayed.

2. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.

3. Members are encouraged to join the AGM through Laptops for better experience. Further Members will be required to allow Camera and use the Internet with a good speed to avoid any disturbance during the meeting.

4. Members connecting from mobile devices or tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

5. The Members can join the AGM in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available for 1000 members on a first come first served basis. This will not include Large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

6. Members who need assistance before or during the AGM, can contact NSDL on evoting.nsdl.com/ 1800-222- 990.

7. Members who would like to express their views or ask questions during the meeting may register themselves as a speaker by sending their request from their registered email ID mentioning their name, demat account number/ folio number, PAN, mobile number at investor@ valiantorganics.com at least 5 days before the date of AGM. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

8. Members can raise questions at the AGM through a chat box and they are requested to frame their questions precisely. Once the Member clicks the link for VC/ OAVM in shareholder/members login where the EVEN of Company will be displayed, Members will be able to view AGM VC/OAVM proceedings along with the chat box. The questions raised by the Members will be replied to by the Company suitably.

Explanatory statement pursuant to Section 102 of the Companies Act, 2013

This explanatory statement is pursuant to Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time, however, the same is strictly not required as per Section 102 of the Companies Act, 2013.

ITEM NOS.: 3 and 4

M/s. N. A. Shah Associates LLP., Statutory Auditors resigned w.e.f. 14th August 2023. The Board of Directors of the Company subject to the approval of the members appointed M/s. A R T H A and Associates, Chartered Accountant (FRN: 138552W) as Statutory Auditors of the Company to fill the casual vacancy pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 to hold office till the conclusion of this 42nd Annual General Meeting.

Further, it is proposed to appoint M/s. A R T H A and Associates, as Statutory Auditors of the Company, pursuant to the provisions of Section 139 & 141 and other applicable provisions, if any, of the Companies Act, 2013 for a period of 5 years to hold office from the conclusion of ensuing 42nd Annual General Meeting till the conclusion of 47th Annual General Meeting to be held in the financial year 2027 – 2028.

The Board of Directors recommends the resolutions as set out in Item Nos. 3 and 4 for the approval of the Shareholders of the Company as Ordinary Resolutions.

None of the Directors or Key Managerial Personnel of the Company or their relative(s) is, in any way, concerned or interested, financially or otherwise, in the said resolutions, except to the extent of their shareholding in the Company, if any.

Profile of M/s. A R T H A and Associates., Chartered Accountant:

M/s. A R T H A and ASSOCIATES, Chartered Accountants (FRN: 138552W) established on 18th December 2001 having more than 100 years of combined experience in profession. The firm has experience in rendering quality assurance services in areas which include Taxation (Direct & Indirect), Accountancy, Audit & Assurance, Start-up Advisory, Management Consultancy, Consultancy on Insolvency Bankruptcy Code, Fund Raising, & Secretarial Services. The firm has thirteen highly skilled, young, dynamic, energetic partners having specialised knowledge and excellence in every field of services we are offering to our clients. Currently the firm has presence over three different localities which includes Mumbai, Jodhpur and Ahmedabad.

The Company has received their consent for appointment as Statutory Auditors and eligibility certificate as required under Section 141 of Companies Act 2013 from M/s. A R T H A and Associates, along with a confirmation that their appointment, if made by the Shareholders, would be within the limits prescribed under the Companies Act, 2013.

Considering the term of appointment, it is proposed to empower the Board to decide the remuneration payable to Auditors.

Additional Disclosure under Regulation 36(5) of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015:

Proposed Statutory Audit Fees payable to Auditors	₹ 36,00,000/- (Rupees Thirty Six Lakh only) for FY 2023-24. The Board is being authorized to finalize Audit Fees for subsequent financial years
Terms of Appointment of Statutory Auditors	M/s. A R T H A and Associates., Chartered Accountant (FRN: 138552W) have been appointed to fill the casual vacancy and for the first term of five (5) consecutive financial years to hold office from the conclusion of 42nd Annual General Meeting till the conclusion of 47th Annual General Meeting to be held for the financial year 2027-2028.
Material Change in fees payable to new Auditors from that outgoing Auditors along with rational for such change	Considering the financial position and reduced turnover, the Company requested the erstwhile statutory auditors to reduce their fees. However, erstwhile statutory auditors chose to step down. The fees payable to M/s. A R T H A and Associates has been / will be mutually agreed to considering the volume of transactions
Basis for recommendation for appointment including the details in relation to and Credentials of Statutory Auditors proposed to be appointed	M/s. A R T H A and Associates has been providing Audit, Assurance and taxation services to listed companies, they have adequate manpower.

By order of Board of Directors of Arshiya Limited

Date: 14th August 2023
Place: Mumbai

Ajay S. Mittal
Chairman & Managing Director
DIN: 00226355

ANNEXURE

Information required to be provided as per Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, regarding the Directors who are proposed to be appointed / reappointed is as below:

Name of the Director	Mrs. Archana A Mittal
DIN	00703208
Nationality	Indian
Date of First appointment	25/10/2005
Designation	Joint Managing Director
Date of Birth	14/04/1967
Age	56
Tenure with the Company	19 years
Qualification	Graduate in Bachelor of Arts (Honors) from Punjab University.
Nature of Expertise and Experience	Mrs. Archana A Mittal leads the projects and procurement Teams at Arshiya. Her vision and leadership have been critical for the company's transformation into India's premier Logistics Infrastructure Company. Mrs. Mittal is also a key member of Arshiya's executive management team involved with strategic decision making towards Arshiya's growth & development. Under Mrs. Mittal's guidance, Arshiya Limited presently operates India's first of its kind state-of the- art two FTWZs, in Panvel near Mumbai and another through a material subsidiary in Khurja, UP. Mrs. Mittal is also very active with various social reform organizations across India especially in the field of girl-child education and women empowerment.
Terms and conditions of appointment or re-appointment	Re-appointment as a Director pursuant section 152(6) of Companies Act, 2013
Remuneration last drawn (including sitting fees, if any	Nil
Details of remuneration sought to be paid	Nil
Inter-se relationship between Directors and other Key Managerial Personnel	Wife of Mr. Ajay S Mittal, Promoter & Managing Director of the Company.
Directorships held in other Companies	Mega Meditex Limited* Arshiya Northern FTWZ Limited**
Membership of the committees of other companies [includes Audit and Stakeholders Relationship Committee]	None
No. of Shares held in the Company	4,93,09,788 (18.72%)
Number of Board meetings held/attended during the year	5/4

** Company is under liquidation*
***Under CIRP*
****Merged with NCR Rail Infrastructure Limited (Formerly known as Arshiya Rail Infrastructure Limited)*

DIRECTOR'S REPORT 2022 - 2023

To,
The Members of
Arshiya Limited

Your directors hereby present the Forty-second (42nd) Annual Report of your Company together with the Audited Financial Statements for the financial year ended on 31st March 2023.

1. Summary of Financial Results

The performance of the Company for the financial year ended on 31st March 2023 as compared to the previous financial year, is summarized below:

INR in lakh

Particulars	Standalone		Consolidated	
	As on 31st March 2023	As on 31st March 2022	As on 31st March 2023	As on 31st March 2022
Revenue from Operations	2,619.48	6,193.34	14,257.57	15,014.12
Total Expenditure	4,537.80	4,420.22	10,956.22	7,128.45
Operating Profit/(Loss)	**-1,918.32**	**1,773.12**	**3,301.44**	**7,885.67**
Other Income	1,524.17	818.96	1,959.92	9,674.09
Profit before interest, finance cost, depreciation, amortization, exceptional item, and tax	- **394.15**	**2,592.08**	**5,261.36**	**17,559.76**
Finance Cost	11,434.00	8,646.77	21,185.22	16,217.40
Cash Profit/(Loss)	**-11,828.15**	**-6,054.69**	**-15,923.86**	**1,342.36**
Impairment of deemed investment in subsidiaries	5,483.40	-	-	-
Depreciation and Amortization Expenses	836.62	1,032.54	7,934.57	7,181.47
Profit/(Loss) Before Exceptional Items, Prior Period Adjustment and Tax	**-18,148.18**	- **7,087.23**	**-23,858.43**	**-5,839.11**
Exceptional Items (Net)	-	47,244.27	8,221.83	48,988.99
Profit/(Loss) Before Tax	**-18,148.18**	**40,157.04**	**-15,636.60**	**43,149.88**
Tax Expenses	-	-	45.85	28.82
Net Profit/(Loss) After Tax from Continuing Operations	**-18,148.18**	**40,157.04**	**-15,682.45**	**43,121.06**
Net Profit/(Loss) After Tax from Discontinuing Operations	-	-	-2.24	- 730.29
Net Profit/(Loss) After Tax	**-18,148.18**	**40,157.04**	**-15,684.69**	**42,390.77**
Add: Other Comprehensive Income (Items that will not be re classified to profit and loss)	4.44	-6.65	6.92	-7.38

2. Results of operations:

a. Standalone performance:

During the Financial year under review, your Company has reported a standalone total income from operation of Rs. 2,619.48 Lakh as compared to Rs. 6,193.34 Lakhs during the previous year. Further, your Company has reported a loss after tax of Rs. 18,148.18 Lakh as compared to the profit of Rs. 40,157.04 Lakh in the previous year.

b. Group Consolidated Performance:

During the Financial year under review, your Company has reported a consolidated total income from operation of Rs. 14,257.57 Lakh as compared to Rs. 15,014.12 Lakh during the previous year. Further, your Company has reported a loss after tax of Rs. 15,684.69 Lakhs as compared to a profit of 42,390.77 in the previous year.

3. Business operations:

a. Free Trade Warehousing Zone (FTWZ) Segment:

Your Company is a pioneer in introducing and ahead of time with the concept of Free Trade Warehousing Zone ('**FTWZ**') in India offering huge fiscal and other benefits to its customers.

Arshiya Group currently operates two FTWZs — Panvel FTWZ near Mumbai spread over 145-acre, catering to western India; and Khurja FTWZ near Delhi spread over 127 acre, catering to north India.

Free trade warehousing zones are a category of special economic zones set up to improve logistics infrastructure and facilitate and promote cross-border / international trade. Arshiya's FTWZs serve as mega trading hubs with integrated logistics infrastructure such as special storage areas, world-class material handling equipment, container yards, inland container depot, customs office and commercial complex.

FTWZ facility at Panvel near Mumbai has world class warehousing infrastructure facility meeting the global standards in vicinity of the country's busiest container port, JNPT. It is well connected with National and State Highways, and proposed International Airport in Navi Mumbai. This facility also offers a wide range of third party logistics ('**3PL**') services besides various value optimization services ('**VOS**') to its customers.

Khurja FTWZ near Delhi NCR is strategically located about 80 km from India's capital. Khurja FTWZ is strategically located close to the eastern and western dedicated freight corridor (DFC). Increasing acceptance of the FTWZs with various benefits it offers is witnessing increasing enquiries for bigger space. With various Government reforms and increasing economic activities in the country, the warehousing sector is witnessing increasing participation from institutional investors.

b. Third Party Logistics ('3PL') Services Segment:

With aggressive objective to be serving and providing class of services to its customers your company is in the business of providing 3PL and other value optimization services such as handling and transportation, packaging, consolidation, palletization, labelling, kitting, bagging, bottling, cutting-slitting, survey, quality assurance, refurbishment, repairs and maintenance, washing, etc., to its various clientele through its subsidiaries which is going to be a key player in business dynamics.

4. Dividend:

In view of reported losses, your directors have not recommended any dividend for the financial year ended 31st March 2023.

5. Transfer to reserves:

The Board of Directors of your company has decided not to transfer any amount to the Reserves for the year under review.

6. Change in the nature of the business and capital structure of the company:

i. Change in nature of the business.

During the financial year under review, there have been no changes in the nature of the business and operations of the Company.

ii. Change in capital structure of the Company:

The Authorized Share Capital of your Company is ₹ 60,50,00,000/- (Rupees Sixty Crores Fifty Lakh) divided into 28,75,00,000 (Twenty-Eight Crores Seventy-Five Lakh) Equity Shares of ₹ 2/- (Rupees Two only) each and 30,00,000 (Thirty Lakhs Only) Zero Percent Optionally Convertible Redeemable Preference Shares of ₹ 10/- (Rupees Ten Only).

As on March 31, 2023, the issued, subscribed and paid-up share capital of the Company is INR 52,69,51,830/- (Rupees Fifty-two Crore Sixty-nine Lakh Fifty-one Thousand Eight Hundred Thirty Only) divided into 26,34,75,915/- (Rupees Twenty-six Crore Thirty-four Lakh Seventy-five Thousand Nine Hundred Fifteen Only) fully paid-up Equity Shares of INR. 2/- (Rupees Two only) each.

Further, your Company has allotted 12,00,000 equity shares pursuant to the ESOP Scheme Arshiya Limited-2019 during the year. The details of changes in capital structure forms part of the corporate governance section of this Annual Report.

7. Scheme of the arrangement:

National Company Law Tribunal (NCLT), Mumbai Bench vide its order dated 21st January 2022 has approved the Scheme of Arrangement ("the Scheme") between Arshiya Limited ("**Demerged Company**") and NCR Rail Infrastructure Limited formerly known as Arshiya Rail Infrastructure Limited ("**Resulting Company**"), which is now known as NCR Rail Infrastructure Limited. The Scheme became effective on filing of the certified copy of order with Registrar of Companies, Mumbai on 02nd February 2022. However, pursuant to Order of the Hon'ble National Company Law Appellate Tribunal ("**NCLAT**"), Principal Bench, New Delhi in the

Appeal preferred by IDFC First Bank Ltd., directed the parties to maintain the "Status Quo". The said Status Quo order is still subsisting. Accordingly, the Company was constrained not to proceed with listing of equity shares of NCR Rail Infrastructure Limited according to the Scheme.

8. Subsidiaries and associates' companies:

As on 31st March 2023 the Company has 12 (Twelve) subsidiaries companies. The Company does not have any associates or joint venture Companies within the meaning of Section 2(6) of the Companies Act, 2013 ("**Act**").

In terms of the criteria laid down in the Company's Policy on Material Subsidiaries and the SEBI Listing Regulations, as amended, (a) Arshiya Northern FTWZ Limited (Under CIRP), (b) Arshiya Lifestyle Limited, (c) Arshiya Logistics Services Limited (d) Arshiya Panvel FTWZ Services Private Limited and (e) Arshiya Panvel Logistics Services Private Limited are Material Subsidiaries of the Company.

The Scheme of Arrangement (Scheme) approved by National Company Law Tribunal, Mumbai Bench (NCLT) vide it's order dated 21st January, 2022 between Arshiya Limited and NCR Rail Infrastructure Limited (Formerly known as Arshiya Rail Infrastructure Limited), however one of the lender has preferred appealed against the said order before the Hon'ble National Company Law Appellate Tribunal (NCLAT) and Hon'ble NCLAT has passed an order on 4th March 2022, directed the parties to maintain 'status quo' in the matter. The Company filed an appeal, seeking directions for setting aside the said 'status quo' order and to allow the Company to complete the formalities in furtherance of NCLT Order such as allotment procedures of the demerger and listing of the shares of the Resulting Company. The status quo is in force and the matter is pending before NCLAT.

The highlights of performance of NCR Rail Infrastructure Limited for the financial year ended on 31st March 2023 as compared to the previous financial year, is summarized below:

INR in lakh

Particulars	Standalone	
	As on 31st March 2023	**As on 31st March 2022**
Revenue from Operations	928.70	828.13
Total Expenditure	1,144.26	1,886.73
Operating Profit/(Loss)	**-215.56**	**-1,058.60**
Other Income	829.38	417.35
Profit before interest, finance cost, depreciation, amortization, exceptional item, and tax	613.82	-641.25
Finance Cost	17,571.62	15,718.41
Cash Profit/(Loss)	**-16,957.80**	**-16,359.65**
Impairment of deemed investment in subsidiaries	-	-
Depreciation and Amortization Expenses	3,123.75	4,042.87
Profit/(Loss) Before Exceptional Items, Prior Period Adjustment and Tax	**-20,081.55**	**-20,402.52**
Exceptional Items (Net)	-	-
Profit/(Loss) Before Tax	**-20,081.55**	**-20,402.52**
Tax Expenses	-	-
Net Profit/(Loss) After Tax from Continuing Operations	**-20,081.55**	**-20,402.52**
Net Profit/(Loss) After Tax from Discontinuing Operations	-	-

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company and marked as ***Annexure-I***.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company. http://www.arshiyalimited.com/annual-reports-subsidiaries.html

During the year there were no other changes in the subsidiary companies of the Company.

9. Particulars of loans, guarantees or investments by company:

Particulars of loans given, investments made, guarantees given and securities provided as covered under the provisions of Section 186 of the Companies Act, 2013 have been disclosed in the notes to the standalone financial statements forming part of the Annual

Report 2022-23.

10. Particulars of contracts or arrangements made with related party(ies):

All Related Party Transactions entered into by the Company during the financial year were in the ordinary course of business and on an arm's length basis. The omnibus approvals were obtained from the Audit Committee of the Board of Directors of the Company for the transactions which could be foreseen and are repetitive in nature. All transactions entered into with related parties were in accordance with the Policy of the Company on Related Party Transactions. The Policy on Related Party Transactions as approved by the Board is available on the Company's website and can be accessed at https://www.arshiyalimited.com/.

The Company had not entered into any contract / arrangement / transaction with related parties which is required to be reported in Form No. AOC-2. There were no materially significant related party transactions which could have potential conflict with the interests of the Company at large.

The details of related party transactions entered into by the Company as required to be disclosed pursuant to IND-AS 24, forms part of notes to the standalone financial statements and form a part of this Report.

11. Directors and Key Managerial Personnel:

a. Board of directors:

During the year under review, in addition to two Executive Directors viz. Mr. Ajay Mittal and Mrs. Archana Mittal, the Company's Board consists of the following Non-executive Independent Directors:

1. Mr. Ashishkumar Bairagra.
2. Mr. Rishabh Shah.
3. Mr. Ved Prakash.
4. Dr. Ms. Priya Kenkare (Appointed on 7th October 2022) and
5. Mr. Kiran Shinde (Appointed on 8th July 2022 and resigned on 7th April 2023)

No directors received any remuneration or sitting fees from any of the subsidiaries of the Company during FY 2022-23. The Directors have further confirmed that they are not debarred from holding the office of director under any SEBI order or under the order of any authority.

b. Re-appointment:

Pursuant to section 152 of the Act and Articles of Association of the Company, Mrs. Archana A Mittal (DIN: 00703208), Joint Managing Director of the Company retires by rotation and being eligible, offers herself for re-appointment.

c. Appointment:

Mr. Kiran Shinde (DIN: 09667419) was appointed as an Additional, Non-executive Independent Director of the Company on 8th July 2022 for a period of five years commencing from 8th July 2022 to 7th July 2027. The shareholders at the 41st AGM approved the appointment of Mr. Kiran Shinde as a Non-executive Independent Director of the Company, not liable to retire by rotation.

Dr. Ms. Priya Madhukar Kenkare (DIN: 09758394) was appointed as an Additional, Non-executive Woman Independent Director of the Company on 7th October 2022, for a period of five years commencing from 7th October 2022 to 6th October 2027. The shareholders approved through Postal Ballot, appointment of Dr. Ms. Priya Kenkare as a Non-executive Independent Woman Director of the Company, not liable to retire by rotation.

d. Resignation:

Mr. Kiran Shinde, Independent Director has resigned with effect from 7th April 2023 from the Directorship of the Company. The Board hereby place on record its sincere appreciation for the contribution made by him during his tenure as an Independent Director of the Company.

e. Key managerial personnel (KMP):

In accordance with the provisions of Section 203 of the Companies Act, 2013, and Rules made thereunder, following are /were the Key Managerial Personnel of the Company during the year ended 31st March, 2023:

1. Mr. Ajay S Mittal – Managing Director.
2. Mrs. Archana A. Mittal – Joint Managing Director.

3. Mr. Dinesh Kumar Sodani – Chief Financial Officer.
4. Mr. Ajit Dabholkar – Company Secretary (Appointed on 14th February 2023).
5. Mrs. Kunjal Parekh – Company Secretary (Appointed on 14th November 2022 and Resigned on 31st December 2022).
6. Mrs. Ratika Gandhi – Company Secretary. (Resigned w.e.f. 4th June 2022)

12. Disclosures related to board, committees, and policies:

a. Committees of the board:

As on the date of this report the Board has Six Committees namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Committee of Directors, and Risk Management Committee.

A detailed note on the Board and its Committees is provided in the Corporate Governance Report which forms part of this Annual Report.

b. Board diversity:

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspectives, knowledge, skill, regional and industry experience, cultural and geographical background. The Board has adopted the Policy on Board Diversity which sets out the approach to diversity of the Board of Directors and the same is available on our website at www.arshiyalimited.com.

13. Directors' responsibility statement:

To the best of knowledge and belief and according to the information and explanations obtained, the Board confirms that:

a) In the preparation of the annual accounts for the year ended 31st March 2023, the applicable accounting standards have been followed, appropriate explanation has been provided in the notes to accounts for material departures;

b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2023 and of the losses of the Company for the year ended on that date;

c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) They have prepared the annual accounts on a going concern basis;

e) They have laid down Internal financial controls and compliance systems to be followed by the Company and the work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and were operating effectively;

f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively; and

14. Auditors and Auditors' report:

a. Statutory auditors:

Pursuant to provisions of Section 139 of the Companies Act, 2013, the shareholders of the Company at the 41st Annual General Meeting, appointed M/s. N A Shah Associates LLP, Chartered Accountants (Firm Registration No. 116560W/W100149) as Statutory Auditors for a period of Five years. M/s. N A Shah Associates LLP resigned from the Office of Statutory Auditors of the Company with effect from close of working hours on August 14, 2023. The Board, subject to the approval of the shareholders, has appointed M/s. A R T H A and Associates, Chartered Accountants (Firm Registration No. 138552W) as Statutory Auditors.

b. Observations of Statutory Auditors:

The reports of the Statutory Auditors, M/s. N A Shah Associates LLP, Chartered Accountants on the standalone and consolidated financial statements of the Company for the year ended 31st March 2023 form part of Annual Report. The statutory auditors have issued a disclaimer of opinion in the Audit Reports relating to standalone and consolidated audited financial statements for the year ended 31st March 2023 along with basis for the same. The Auditors' Reports also contain Emphasis of Matters. The Notes to the financial statements referred to in the Auditors' Report are self-explanatory and appropriately explain or deal with Auditors' observations relating to disclaimer of opinion and Emphasis of matters.

c. Internal audit and control:

The Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen. The Company has a robust Management Information System, which is an integral part of the control mechanism.

d. Fraud reporting:

During the year under review, there were no instances of fraud falling within the purview of Section 143 (12) of the Companies Act, 2013 and rules made thereunder, by officers or employees reported by the Statutory Auditors of the Company during the course of the audit conducted.

e. Cost Auditor:

During the year, maintenance of cost record as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, was not applicable to the company.

f. Secretarial Audit Report and Annual Secretarial Compliance Report:

The Board appointed M/s Aabid & Co., Company Secretaries in Practice, as Secretarial Auditors of the Company to conduct the Secretarial Audit for FY 2022- 23. The Secretarial Audit Report for the financial year ended March 31, 2023 along with Annual Secretarial Compliance Report are annexed herewith and marked as **Annexure-II** and **Annexure-III**. The Secretarial Auditors have reported that *Fine was imposed by Stock Exchanges on the Company for delay in appointment of Woman Independent Director.*

Management reply on the same:

Unfortunately, Mrs. Manjari Ashok Kacker, woman independent director, was constrained to step down from the Board of the Company w.e.f. 1st November 2021 due to health-related issue, however due to COVID-19 pandemic, there were constrains in scouting suitable candidate as a woman independent director for the Company.

The secretarial Audit reports of material subsidiaries of your company for the financial year ended March 31, 2023 are annexed herewith and collectively marked as **Annexure-IV-1 to IV-5.**
The observation in the Secretarial Audit report is as follows:

g. Disclosure on compliance with secretarial standards:

The Company has followed the applicable Secretarial Standards (as amended from time to time) with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and approved by Central Government.

15. Employee Stock Options Scheme (ESOP):

Your Company has allotted 12,00,000 equity shares of face value ₹ 2/- each to the eligible employees under the Arshiya Limited ESOP-2019 Scheme ("ESOP Scheme") on 14th November, 2022. These shares shall rank pari-passu with the existing equity shares of the Company in all respects. The complete details pertaining to the ESOPs allotted during the year has been given in Corporate Governance Report forming part of Annual Report.

16. Policies:

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. Also, the Companies Act, 2013 requires the Company to formulate a policy. All our corporate governance policies are available on the website at www.arshiyalimited.com. The Policies are reviewed periodically by the Board and updated based on need and new compliance requirements.

17. Corporate social responsibility (CSR):

The provisions of Section 135 read with Schedule VII of Companies Act, 2013 are not applicable to the Company due to inadequate profits but the Company has voluntarily adopted the CSR policy in 2018.

Your Company sincerely believes that growth needs to be sustainable in a socially relevant manner. Today's business environment especially in India therefore demands that corporates play a pivotal role in shouldering social responsibility. Your Company is committed to its endeavor in social responsibilities for the benefit of the community.

18. Human resources:

Your Company is committed in strengthening its human resources by induction of experienced and competitive professionals, on the other hand your Company is formulating appropriate policies, systems and schemes which will create adequate opportunities for growth in career and create a working environment which enhances productivity. The Company has a structured induction process at all locations and management development programs to upgrade skills of managers.

The Company is committed to nurturing, enhancing and retaining top talent through superior Learning and Organizational Development. This is a part of Corporate HR function and is a critical pillar to support the organization's growth and its sustainability in the long run. The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business.

Your Company continues to enjoy cordial and harmonious relations and not a single man hour was lost on account of any Industrial disturbance during the year 2022-23.

19. Particulars of employees and remuneration:

Disclosure pertaining to the remuneration and other details as required under Section 197 (12) of the Act, and the Rules framed thereunder and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is enclosed as **Annexure - 'V'** to the Board's Report and forms part of this Annual Report.

However, in terms of Section 136 of the Companies Act 2013, the Annual Reports are being sent to the Members and others entitled thereto, excluding such information. The said information is available for inspection at the registered office of the Company during working hours. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

20. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company's premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment. During the year ended March 31, 2023, no sexual harassment complaint was reported.

21. Corporate governance report:

The Company adheres to good corporate governance practices as per SEBI Listing Regulations. The Report on Corporate Governance and requisite certificate from the Practicing Company Secretary, confirming compliance of the conditions of Corporate Governance Report, forms part of Annual Report.

22. Management discussion and analysis report:

Management Discussion and Analysis Report for the year under review, as required pursuant to the provisions of Schedule V of the SEBI Listing Regulations is provided as part of Annual Report.

23. Risk management:

Your Company has a well-defined risk management framework in place. The risk management framework works at various levels across the enterprise. Though it is not possible to eliminate various risks associated with the business of the Company, your Company is aware of risks associated with its business operations and various projects under execution. The management is making efforts to mitigate such risks in the operations of the Company. The Company has put in place various internal controls for different activities to minimize the impact of various risks.

The Risk Management Policy has been hosted on the website of the company at www.arshiyalimited.com.

24. Health, safety and environment:

As a responsible corporate citizen, your Company always lays emphasis on the health and safety aspects of its human capital, operations and overall working conditions. Thus, being constantly aware of its obligation towards maintaining and improving the environment, all possible steps are being taken to meet the toughest environmental standards on pollution, effluents, etc. across various spheres of its business activities.

25. Extract of annual return:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act,2013, the Annual Return as on March 31, 2023 is available in prescribed format on the Company's website on www.arshiyalimited.com .

26. Conservation of energy, technology absorption, foreign exchange earnings and outgo:

Details of energy conservation and research and development activities undertaken by the Company along with the information in accordance with the provisions of Section 134 of Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 to the extent applicable to the Company, are given in "**Annexure-VI**".

27. Significant and material orders passed by the regulators or courts are as below:

On 14th November 2022, this Hon'ble National Company Law Tribunal (NCLT) admitted Company Petition No. 1245 of 2021 filed by a Financial Creditors against Arshiya Northern FTWZ Limited, one of the Material subsidiary of the Company ('**ANFL**') under Section 7 of the IBC and passed an order initiating CIRP of the Corporate Debtor. By the said order, this Hon'ble Tribunal appointed the Interim Resolution Professional of the Corporate Debtor, with a direction to carry the functions as mentioned under the IBC. On 6th December 2022, the Company filed a Company Appeal No. 1475 of 2022 before the National Company Law Appellate Tribunal, New Delhi ("NCLAT"), challenging the Order dated Nov 14, 2022. On 7th December 2022, the NCLAT was pleased to stay the said Order dated Nov 14, 2022. Consequently, on 15th February 2023, the NCLAT vacated the interim stay Order and Corporate Insolvency Resolution Process resumed for ANFL and the same is in process as of date of this Report.

28. Other disclosures in terms of the applicable provisions of the Act and SEBI listing regulations, your company additionally discloses that, during the year under review:

i. There was no change in the nature of the business of your Company.
ii. Your Company has not accepted any deposits covered under Chapter V of the Act.
iii. Your Company has not raised any funds through qualified institutions placement as per Regulation 32(7A) of SEBI Listing Regulations.
iv. Your Company does not engage in commodity hedging activities.
v. Your Company is in dialogue with its financial creditors.
vi. There is no need of Revision of the financial statements pertaining to previous financial periods during the financial year under review.

Acknowledgement & appreciations:

Your directors place on record their appreciation for the sustained support and co-operation provided by its Members, group entities, regulatory authorities, suppliers, customers, banks, financial institutions and other stakeholders.

Your directors would also like to place on record their sincere appreciation for the efforts put in by employees of the Company whose efforts, hard work and dedication has enabled the Company to achieve all recognitions during the year.

For and on behalf of the Board of Directors of Arshiya Limited

Date: 14th August 2023	**Ajay S. Mittal**	**Archana A. Mittal**
Place: Mumbai	**Chairman & Managing Director**	**Joint Managing Director**
	DIN: 00226355	**DIN: 00703208**

Annexure-I

Statement containing the salient features of the financial statements of subsidiaries / associates companies / joint ventures
[Pursuant to first proviso to sub-section (3) of section 129 of the companies Act, 2013, read with rule 5 of the companies (Accounts) Rules, 2014 - AOC-1]

(Rs. in Lakh)

S.No.	Name of the subsidiary	Financial Period ended	Currency	Equity	Other Equity	Total assets	Total liabilities (excluding equity and other equity)	Investments	Turnover	Profit / (Loss)before taxation	Provision for taxation	Profit / (Loss) after taxation	% of Share holding(1*)
1	Arshiya Northern FTWZ Limited	31st March, 2023	INR	1,986.87	(4,631.24)	69,766.25	73,118.62	-	382.25	(1,147.09)	-	(1,147.09)	100%
2	Arshiya Technologies (India) Private Limited	31st March, 2023	INR	10.12	(17.78)	0.42	8.08	-	-	(0.64)	-	(0.64)	100%
3	Arshiya Lifestyle Limited	31st March, 2023	INR	168.50	1,901.41	9,300.37	7,230.46	1.00	9,221.46	5.87	45.38	(39.51)	100%
4	Arshiya Logistics Services Limited	31st March, 2023	INR	160.00	(1,238.75)	1,379.67	2,458.42	7.00	5,377.71	(891.83)	-	(891.83)	100%
5	Arshiya Northern Projects Private Limited	31st March, 2023	INR	5.00	(24.06)	0.39	19.45	-	-	(2.24)	-	(2.24)	100%
6	Arshiya Infrastructure Developers Private Limited	31st March, 2023	INR	1.00	(4.59)	-	3.59	-	-	(1.12)	-	(1.12)	100%
7	Unrivalled Infrastructure Private Limited	31st March, 2023	INR	1.00	(2.97)	12.63	14.60	-	-	(1.33)	-	(1.33)	100%
8	Arshiya 3PL Services Private Limited	31st March, 2023	INR	5.00	(233.11)	195.97	424.08	-	349.78	16.59	-	16.59	Nil (2*)
9	Arshiya Panvel Logistics Services Private Limited	31st March, 2023	INR	1.00	(885.23)	962.37	1,846.60	-	2,463.18	(890.29)	-	(890.29)	Nil (2*)
10	Arshiya Panvel FTWZ Services Private Limited	31st March, 2023	INR	1.00	753.01	10,760.46	10,006.45	-	3,182.46	3.03	0.47	2.56	Nil (3*)
11	Arshiya Data Centre Private Limited	31st March, 2023	INR	1.00	(303.34)	13,277.15	13,579.49	-	-	(120.25)	-	(120.25)	100%
12	Arshiya Distribution Hub Private Limited	31st March, 2023	INR	1.00	(0.61)	0.90	0.51	-	-	(0.33)	-	(0.33)	Nil (2*)

(1*) % of Share Holding including beneficial interest/ voting power (either directly/indirectly or through subsidiaries).

(2*) 100% held through Arshiya Logistics Services Limited

(3*) 100% held through Arshiya Lifestyle Limited

For and on behalf of the Board of Directors of Arshiya Limited

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Dinesh Kumar Sodani
Chief Financial Officer

Navnit Choudhary
VP - Commercial

Ajit Dabholkar
Company Secretary

Place: Mumbai
Date: 30th May, 2023

Annexure-II
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Arshiya Limited
205 & 206 (Part), 2nd Floor, Ceejay House, F-Block, Shiv Sagar Estate, F-Block,
Dr. Annie Besant Road, Worli, Mumbai 400018 Maharashtra

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **Arshiya Limited** (hereinafter called the "Company") Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing opinion thereon.

Based on our verifications of the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year period ended on 31st March, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, and Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year period ended on 31st March, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder.

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder is not applicable to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable during the audit period);

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable during the audit period); and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable during the audit period)

We have also examined Compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including Woman Director and Woman Independent Director as on financial year ended 31st March 2023. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices are given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance and a system exist for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that during the audit period, the following specific events were held:

1. Fine was imposed by Stock Exchange(s) on the Company for delay in appointment of Independent Women Director pursuant to regulation 17(1)(a) and 25(6) of the SEBI (LODR) Regulations, 2015. The management was informed that unfortunately, Mrs. Anjali Ashok Kackar, woman independent director, was constrained to step down from the Board of the company w.e.f. 1st November, 2021 due to health related issues, however due to Covid 19 Pandemic, there were constrains in scouting suitable candidate as a woman independent director for the Company.

2. During the year under review, the Company at its board meeting held on 30th May 2022 approved and noted the resignation of Ms. Ratika Gandhi, a whole time Company Secretary and Compliance Officer from the position of the Company Secretary and Compliance Officer of the Company with effect from 4th June ,2022 due to personal reasons.

3. During the year under review, the company has appointed Mr. Kiran Shinde, as an additional director (Non-Executive Independent) of the company by way of circular resolution passed on 8th July, 2022, further the shareholders has confirmed his appointment as an Non-Executive Independent Director of the Company at their meeting dated 27th September 2022

4. During the year under review, the Company at its board meeting held on 10th August,2022 approved and noted M/s. N.A Shah Associates LLP Chartered Accountants as the Statutory Auditors of the Company in place of retiring Auditors Chaturvedi & Shah LLP, Chartered Accountants for a period of Five years, further the shareholders has confirmed the appointment of M/s. N.A Shah Associates LLP Chartered Accountants as the Statutory Auditors of the Company at their meeting dated 27th September 2022.

5. During the year under review, the company has appointed Ms. Priya Kenkare, as an additional woman director (Non-Executive Independent) of the company by way of circular resolution passed on 7th October, 2022, further the shareholders has confirmed her appointment as an Non-Executive Woman Independent Director of the Company vide special resolution passed through postal ballot meeting dated 19th December 2022.

6. During the year under review, the Company at its Board Meeting held on 14th November, 2022 has approved and allotted 12,00,000 Equity Shares to the eligible employees of the company under the Arshiya Limited Employees Stock Option Scheme, 2019 ***("the Scheme 2019")***.

7. During the period under review, the company at its Board Meeting held on 14th November, 2022 has approved and noted Appointment of Ms. Kunjal Parekh as a whole time Company Secretary and Compliance Officer (KMP) of the Company and further she has tendered her resignation from the position of Company Secretary and Compliance Officer w.e.f 31st December, 2022.

8. On 14th November 2022, this Hon'ble National Company Law Tribunal (NCLT) admitted Company Petition No. 1245 of 2021 filed by a Financial Creditors against Arshiya Northern FTWZ Limited, one of the Material subsidiary of the Company ('ANFL') under Section 7 of the IBC and passed an order initiating CIRP of the Corporate Debtor. By the said order, this Hon'ble Tribunal appointed the Interim Resolution Professional of the Corporate Debtor, with a direction to carry the functions as mentioned under the IBC. On 6th December 2022, the Company filed a Company Appeal No. 1475 of 2022 before the National Company Law Appellate Tribunal, New Delhi ("NCLAT"), challenging the Order dated Nov 14, 2022. On 7th December 2022, the NCLAT was pleased to stay the said Order dated Nov 14, 2022. Consequently, on 15th February 2023, the NCLAT vacated the interim stay Order and Corporate Insolvency Resolution Process resumed for ANFL and the same is in process as of date of this Report.

9. During the year under review, the company has complied with the compliance requirement of Structured Digital Database (SDD), pursuant to provisions of Regulation 3(5) and 3(6) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations)

Note:

1. We have conducted online verification & examination of records, as facilitated by the Company.

2. This report is to be read with our letter of even date which is annexed as '**Annexure-I**' and forms an integral part of this report.

Place: Mumbai

Date: 30th May, 2023

For **Aabid & Co**

Company Secretaries

Mohammed Aabid

Partner

Membership No.: **F6579**
COP No.: **6625**
UDIN: **F006579E000494286**

ANNEXURE-I

To,
The Members,
Arshiya Limited
205, 2nd Floor, Ceejay House, Level-2, Shiv Sagar Estate, F-Block,
Dr. Annie Besant Road, Worli, Mumbai 400018 Maharashtra

Our report of even date is to be read with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Wherever required, we have obtained Management Representation about the compliance laws, rules and regulations, and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai

Date: 30th May 2023

For **Aabid & Co**

Company Secretaries

Mohammed Aabid

Partner

Membership No.: **F6579**
COP No.: **6625**
UDIN: **F006579E000494286**

Annexure-III

**Secretarial Compliance Report of Arshiya Limited
for the year ended 31st March, 2023
Pursuant to Regulation 24A of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR")**

We Aabid & Co. have examined:

(a) all the documents and records made available to us and explanation provided by Arshiya Limited ("the listed entity"),
(b) the filings/ submissions made by the listed entity to the stock exchange,
(c) website of the listed entity,
(d) any other document/filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March, 2023 in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
(b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
(e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
(g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
(i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
(i) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

and circulars/ guidelines issued thereunder;

We hereby report that, during the financial year 2022-23 ("Review Period") the compliance status of the listed entity is appended below;

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations /Remarks by PCS*
1.	Secretarial Standard: The compliances of listed entities are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI) as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	-

2.	Adoption and timely updation of the Policies: • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities. • All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/guidelines issued by SEBI.	Yes	-
3.	Maintenance and disclosures on Website: • The Listed entity is maintaining a functional website. • Timely dissemination of the documents/ information under a separate section on the website. • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website.	Yes	-
4.	Disqualification of Director: None of the Director of the Company is disqualified under Section 164 of Companies Act, 2013.	Yes	-
5.	Details related to Subsidiaries of listed entities have been examined w.r.t.: (a) Identification of material subsidiary companies. (b) Requirements with respect to disclosure of material as well as other subsidiaries.	Yes	-
6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	-
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations.	Yes	-
8.	Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions. (b) The listed entity have provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee, in case no prior approval obtained.	Yes	-

9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	-
11.	Actions taken by SEBI or Stock Exchange(s), if any: Fine for non-appointment of woman Independent Director. The management has explained that notices received from the Stock Exchanges, that the Company has not complied with requirement of appointment of woman independent director. The Management was informed that unfortunately Mrs. Manjari Ashok Kacker, woman Independent Director was constrained to step down from the Board of the Company w.e.f. 1st November 2021 due to health related issued and due to Covid-19 pandemic there were constrains in scouting suitable candidate as a woman independent director.	Yes	
12.	Additional Non-compliances, if any:	NA	-

Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations /Remarks by PCS*
1.	Compliances with the following conditions while appointing/re-appointing an auditor		
	i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	NA	No such Resignation happened during the period under review
2.	Other conditions relating to resignation of statutory auditor		

	i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee: a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / noncooperation by the management which has hampered the audit process, the auditor has approached the chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings. b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/explanation sought and not provided by the management, as applicable. c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor. ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI /NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.	NA	No such instance during the period under review
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/ CFD/CMD1/114/2019 dated 18th October, 2019.	NA	No such Resignation happened during the period under review

(a) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder, except in respect of matters specified below; **Not Applicable**

Sr. No.	Compliance Requirement (Regulations /circulars/ guidelines including specific clause)	Regulations /Circular No	Deviation	Action Taken by	Type of Action Advisory /Clarification /Fine/ Show Cause Notice/ Warning, etc.	Details of Violation	Fine Amount	Observations /Remarks of the Practicing Company Secretary	Management Response	Remarks

(b) The listed entity has taken the following actions to comply with the observations made in previous report- **Not Applicable**

Sr. No.	Compliance Requirement (Regulations /circulars/ guidelines including specific clause)	Regulations /Circular No	Deviation	Action Taken by	Type of Action (Advisory /Clarification /Fine/ Show Cause Notice/ Warning, etc.)	Details of Violation	Fine Amount	Observations /Remarks of the Practicing Company Secretary	Management Response	Remarks

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

Place: Mumbai

Signature:

Date: 17th May 2023

Mohammed Aabid
FCS No.: F6579
CP No.: 6625
UDIN: PR No.: P2007MH076700

Annexure-IV-1
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Arshiya Lifestyle Limited
205 to 206 (Part),2nd Floor, Ceejay House,
F Block, Shivsagar Estate, Dr Annie Besant Road,
Worli, Mumbai 400018.

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **Arshiya Lifestyle Limited** (hereinafter called the "Company") Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing opinion thereon.

Based on our verifications of the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, and Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder.

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder is not applicable to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable during the audit period);

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable during the audit period); and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable during the audit period)

The Company is not listed on any Stock Exchange in India hence compliance related to Securities and Exchange Board of India (Listing Obligations and disclosure requirements) Regulations, 2015 is not applicable to the Company and only clause (i) and (iii) are applicable to the Company.

We have also examined Compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices are given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance and a system exist for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that during the audit period, the following specific events were held:

1. During the year under review, the Company at the Annual General Meeting (AGM) held on 26th September, 2022, re-appointed Mr. Navnit Choudhary who was liable to retire by rotation, as director of the company.
2. During the year under review, the company at its board meeting held on 30th May, 2022 appointed M/s. Aabid & Co., Practicing Company Secretary (C.P. No. 6625) as a secretarial auditor for the Financial Year 2022-23.
3. During the year under review, the company at its board meeting held on 30th May, 2022 appointed M/s. Aneja Associates, Chartered Accountants (Firm Registration No. 100404W) as internal auditor for the Financial Year 2022-23.

Note:

1. This report is to be read with our letter of even date which is annexed as '**Annexure-I**' and forms an integral part of this report.

Place: Mumbai
Date: 30th May 2023

For **Aabid & Co**
Company Secretaries

Mohammed Aabid
Partner
Membership No.: **F6579**
COP No.: **6625**
UDIN:

ANNEXURE-I

To,
The Members,
Arshiya Lifestyle Limited
205 to 206 (Part),2nd Floor, Ceejay House,
F Block, Shivsagar Estate, Dr Annie Besant Road,
Worli, Mumbai 400018.

Our report of even date is to be read with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Wherever required, we have obtained Management Representation about the compliance laws, rules and regulations, and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: 30th May 2023

For **Aabid & Co**
Company Secretaries

Mohammed Aabid
Partner
Membership No.: **F6579**
COP No.: **6625**
UDIN:

Annexure-IV-2
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED31st MARCH, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Arshiya Logistics Services Limited
205 & 206 (Part), 2nd Floor, Ceejay House,
F-Block, Shiv Sagar Estate, Dr. Annie Besant Road,
Worli Mumbai 400018 Maharashtra, India

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **Arshiya Logistics Services Limited** (hereinafter called the "Company") Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing opinion thereon.

Based on our verifications of the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, and Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder.

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder is not applicable to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable during the audit period);

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable during the audit period); and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable during the audit period)

The Company is not listed on any Stock Exchange in India hence compliance related to Securities and Exchange Board of India (Listing Obligations and disclosure requirements) Regulations, 2015 is not applicable to the Company and only clause (i) and (iii) are applicable to the Company.

We have also examined Compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices are given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance and a system exist for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that during the audit period, the following specific events were held:

1. During the year under review, the company at its board meeting held on 30th May, 2022 appointed M/s. Aabid & Co., Practicing Company Secretary (C.P. No. 6625) as a secretarial auditor for the Financial Year 2022-23.
2. During the year under review, the company at its board meeting held on 30th May, 2022 appointed M/s. Aneja Associates, Chartered Accountants (Firm Registration No. 100404W) as internal auditor for the Financial Year 2022-23.
3. During the year under review, the Company at the Annual General Meeting (AGM) held on 26th September, 2022, re-appointed Mr. Navnit Choudhary who was liable to retire by rotation, as director of the company.

Note:

1. This report is to be read with our letter of even date which is annexed as '**Annexure-I**' and forms an integral part of this report.

Place: Mumbai

Date: 30th May 2023

For **Aabid & Co**

Company Secretaries

Mohammed Aabid

Partner

Membership No.: **F6579**
COP No.: **6625**
UDIN:

ANNEXURE-I

To,
The Members,
Arshiya Logistics Services Limited
205 & 206 (Part), 2nd Floor, Ceejay House,
F-Block, Shiv Sagar Estate, Dr. Annie Besant Road,
Worli Mumbai 400018 Maharashtra, India

Our report of even date is to be read with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Wherever required, we have obtained Management Representation about the compliance laws, rules and regulations, and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: 30th May 2023

For **Aabid & Co**
Company Secretaries

Mohammed Aabid
Partner
Membership No.: **F6579**
COP No.: **6625**
UDIN:

Annexure-IV-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Arshiya Northern FTWZ Limited (Under CIRP)
205 & 206 (Part), 2nd Floor, Ceejay House,
F-Block, Shiv Sagar Estate, Dr. Annie Besant Road,
Worli Mumbai 400018 Maharashtra, India.

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **Arshiya Northern FTWZ Limited** (hereinafter called the "Company") Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing opinion thereon.

Based on our verifications of the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, and Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder.

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder is not applicable to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008(Not applicable during the audit period);

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009(Not applicable during the audit period); and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018(Not applicable during the audit period)

The Company is not listed on any Stock Exchange in India hence compliance related to Securities and Exchange Board of India (Listing Obligations and disclosure requirements) Regulations, 2015 is not applicable to the Company and only clause (i), and (iii) are applicable to the Company.

We have also examined Compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except,

1. *The Chairman at the board meeting held on 9th August, 2022 did not vacated the chair during the item of the business in which he was interested as per the provisions of Secretarial Standards 1.*
2. *Whereas pursuant to Section 203 of the Companies Act, 2013 and Rules 8 and 8A of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every company having paid-up share capital of Rs. 10 crore or more has to appoint a whole time Company Secretary, however the Company has not appointed a whole time Company Secretary.*

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including Woman Director. No changes in the composition of the Board of Directors that took place during the period under review.

Adequate notices are given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance and a system exist for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that during the audit period, the following specific events were held:

1. On 14th November 2022, this Hon'ble National Company Law Tribunal (NCLT) admitted Company Petition No. 1245 of 2021 filed by a Financial Creditors against Arshiya Northern FTWZ Limited, one of the Material subsidiary of the Company ('ANFL') under Section 7 of the IBC and passed an order initiating CIRP of the Corporate Debtor. By the said order, this Hon'ble Tribunal appointed the Interim Resolution Professional of the Corporate Debtor, with a direction to carry the functions as mentioned under the IBC. On 6th December 2022, the Company filed a Company Appeal No. 1475 of 2022 before the National Company Law Appellate Tribunal, New Delhi ("NCLAT"), challenging the Order dated Nov 14, 2022. On 7th December 2022, the NCLAT was pleased to stay the said Order dated Nov 14, 2022. Consequently, on 15th February 2023, the NCLAT vacated the interim stay Order and Corporate Insolvency Resolution Process resumed for ANFL and the same is in process as of date of this Report.

2. During the year under review, the Company at the Annual General Meeting (AGM) held on 26th September, 2022, re-appointed Mr. Navnit Choudhary who was liable to retire by rotation, as director of the company.

3. During the year under review, the company at its Annual General Meeting (AGM) held on 26th September,2022, approved and noted appointment of M/S N.A Shah Associates and LLP, Chartered Accountants as the Statutory Auditors of the company who shall hold office till the conclusion of 19th Annual General Meeting (AGM).

4. During the year under review, the company at its board meeting held on 30th May, 2022 appointed M/s. Aneja Associates, Chartered Accountants (Firm Registration No. 100404W) as Internal Auditors for the Financial Year 2022-23 and resigned w.e.f. 7th February 2023.

5. During the year under review, the company at its board meeting held on 14TH February, 2023 appointed M/s. M S K A & Co., Chartered Accountants as Internal Auditors for the Financial Year 2022-23 and resigned w.e.f. 14th February, 2023

6. During the year under review, the company at its board meeting held on 27th May, 2022 appointed M/s. Aabid & Co., Practicing Company Secretary (C.P. No. 6625) as a secretarial auditor for the Financial Year 2022-23.

Note:

1. This report is to be read with our letter of even date which is annexed as '**Annexure-I**' and forms an integral part of this report.

For **Aabid & Co**
Company Secretaries

Mohammed Aabid
Partner
Membership No.: **F6579**
COP No.: **6625**

Place: Mumbai
Date: 30 May 2023

ANNEXURE-I

To,
The Members,
Arshiya Northern FTWZ Limited
205 & 206 (Part), 2nd Floor, Ceejay House,
F-Block, Shiv Sagar Estate, Dr. Annie Besant Road,
Worli Mumbai 400018 Maharashtra, India.

Our report of even date is to be read with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Wherever required, we have obtained Management Representation about the compliance laws, rules and regulations, and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: 30 May 2023

For **Aabid & Co**
Company Secretaries

Mohammed Aabid
Partner
Membership No.: **F6579**
COP No.: **6625**
UDIN:

Annexure-IV-4

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
ARSHIYA PANVEL FTWZ SERVICES PRIVATE LIMITED
205 & 206 (Part), 2nd Floor, Ceejay House,
F Block, Shivsagar Estate, Dr Annie Besant Road,
Worli, Mumbai 400018 Maharashtra

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **ARSHIYA PANVEL FTWZ SERVICES PRIVATE LIMITED** (hereinafter called the "Company") Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing opinion thereon.

Based on our verifications of the **ARSHIYA PANVEL FTWZ SERVICES PRIVATE LIMITED** Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company as given in **Annexure-I** and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, and Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder.

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder is not applicable to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable during the audit period);

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable during the audit period); and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable during the audit period)

The Company is not listed on any Stock Exchange in India hence compliance related to Securities and Exchange Board of India (Listing Obligations and disclosure requirements) Regulations, 2015 is not applicable to the Company and only clause (i) and (iii) are applicable to the Company.

We have also examined Compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices are given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance and a system exist for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that during the audit period, the following specific events were held:

1. During the year under review, the Company at the Annual General Meeting (AGM) held on 26th September, 2022, re-appointed Mr. Ashutosh Sharma who was liable to retire by rotation, as director of the company.

2. The company has appointed Mr. Mahesh Kumar Mhatre, as an additional director of the company by way of circular resolution passed on 20th July, 2023, subject to approval of the shareholders in ensuing annual general meeting will be held in 2023, further Mr. Ashutosh Sharma has resigned from the post of director with effect from 10th July 2023.

Note:
This report is to be read with our letter of even date which is annexed as **'Annexure-I'** and forms an integral part of this report.

For **Aabid & Co**
Company Secretaries

Place: Mumbai
Date: 14th August 2023

Mohammed Aabid
Partner
Membership No.: F6579
COP No.: 6625
UDIN:

ANNEXURE-I

To,
The Members,
ARSHIYA PANVEL FTWZ SERVICES PRIVATE LIMITED
205 to 206 (Part),2nd Floor, Ceejay House,
F Block, Shivsagar Estate, Dr Annie Besant Road,
Worli, Mumbai 400018.

Our report of even date is to be read with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Wherever required, we have obtained Management Representation about the compliance laws, rules and regulations, and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Aabid & Co**
Company Secretaries

Place: Mumbai
Date: 14th August 2023

Mohammed Aabid
Partner
Membership No.: F6579
COP No.: 6625
UDIN:

Annexure-IV-5
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
ARSHIYA PANVEL LOGISTICS SERVICES PRIVATE LIMITED
205 & 206 (Part), 2nd Floor, Ceejay House,
F Block, Shivsagar Estate, Dr Annie Besant Road,
Worli, Mumbai 400018 Maharashtra

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **ARSHIYA PANVEL LOGISTICS SERVICES PRIVATE LIMITED** (hereinafter called the "Company") Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing opinion thereon.

Based on our verifications of the **ARSHIYA PANVEL LOGISTICS SERVICES PRIVATE LIMITED** Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company as given in **Annexure-I** and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, and Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder.

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder is not applicable to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable during the audit period);

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable during the audit period); and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable during the audit period)

The Company is not listed on any Stock Exchange in India hence compliance related to Securities and Exchange Board of India (Listing Obligations and disclosure requirements) Regulations, 2015 is not applicable to the Company and only clause (i) and (iii) are applicable to the Company.

We have also examined Compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices are given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance and a system exist for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that during the audit period, the following specific events were held:

1. During the year under review, the Company at the Annual General Meeting (AGM) held on 26th September, 2022, re-appointed Mr. Ashutosh Sharma who was liable to retire by rotation, as director of the company.

Note:

1. This report is to be read with our letter of even date which is annexed as '**Annexure-I**' and forms an integral part of this report.

Place: Mumbai
Date: 20th June 2023

For **Aabid & Co**
Company Secretaries

Mohammed Aabid
Partner
Membership No.: **F6579**
COP No.: **6625**
UDIN:

ANNEXURE-I

To,
The Members,
ARSHIYA PANVEL LOGISTICS SERVICES PRIVATE LIMITED
205 to 206 (Part),2nd Floor, Ceejay House,
F Block, Shivsagar Estate, Dr Annie Besant Road,
Worli, Mumbai 400018.

Our report of even date is to be read with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Wherever required, we have obtained Management Representation about the compliance laws, rules and regulations, and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: 20th June,2023

For **Aabid & Co**
Company Secretaries

Mohammed Aabid
Partner
Membership No.: **F6579**
COP No.: **6625**
UDIN:

ANNEXURE – V

Details pertaining to remuneration as required under section 197(12) of the companies act, 2013 read with rule 5 of the companies (appointment and remuneration of managerial personnel) rules, 2014.

i. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during the financial year 2022-23 and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022 – 23 are as under:

Since none of the Directors is being paid any remuneration, hence aforementioned ratio for the financial year cannot be ascertained. Only Independent directors are paid a sitting fee @ Rs. 20,000/- (Rupees Twenty Thousand only) per Board Meeting and @ Rs. 5,000/- (Rupees Five Thousand only) per Audit Committee meeting.

ii. The median remuneration of employees of the Company during the financial year 2022-23 as Rs. 4,77,998/-. (Percentage increase of -2.9%);

iii. There were 62 permanent employees on the rolls of the Company as on March 31, 2023.

iv. The average percentage increase made in the salaries of employees in the financial year 2022- 23 was -12.30% and average increase in the managerial remuneration paid to Key Managerial Personnel was 23.67 %.

v. It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy of the Company.

vi. Information as per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014: **Not Applicable**

For and on behalf of the Board of Directors of Arshiya Limited

Date: 14th August 2023
Place: Mumbai

Ajay S. Mittal
Chairman & Managing Director
DIN: 00226355

Archana A. Mittal
Joint Managing Director
DIN: 00703208

ANNEXURE - VI

Disclosure pursuant to section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts), Rules 2014

A. Conservation of energy:

1. Steps taken or impact on conservation of energy:

Conservation of energy is an ongoing process in the activities of the Company. The core activity of the Company is to set up and carry on activities pertaining to Free Trade & Warehousing Zone, Domestic Warehousing Zone and value-added services which are not an energy intensive activity.

2. Steps taken by the company for utilizing alternate sources of energy:

Your company has taken all steps for conservation of energy at all levels of operations of the Company.

3. **Capital investment on energy conservation equipment:** Not Applicable.

B. Technology absorption:

1. Efforts made towards technology absorption:

Your company has taken all efforts to introduce innovative technologies and automation to the extent possible with a view to reduce cost to the optimum level.

2. **Benefits derived like product improvement, cost reduction, product development or import substitution:** Saves cost, time and improves the quality.

3. **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):**

a. The Details of technology imported: None.
b. Year of Import: Not Applicable
c. Whether the technology has been fully absorbed: Not Applicable
d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable
e. Expenditure incurred on Research and Development: NIL

C. Foreign exchange earnings and Outgo:

INR in Lakh

Foreign Exchange	Standalone		Consolidated	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022
Earnings	210.89	221.85	12,269.33	11,819.95
Outgo	Nil	0.11	Nil	0.11

For and on behalf of the Board of Directors of Arshiya Limited

Date: 14th August 2023	Ajay S. Mittal	Archana A. Mittal
Place: Mumbai	**Chairman & Managing Director**	**Joint Managing Director**
	DIN: 00226355	DIN: 00703208

MANAGEMENT DISCUSSION AND ANALYSIS

Logistics is of critical importance for both businesses and the economy. It is an integral activity for economic growth as it involves the management of the flow of goods from the place of origination to the place of consumption. The sector comprises shipping, port operation, warehousing, rail, road, air freight, express cargo, and other value-added services. Businesses need logistics services for reaching out to their customers within tight timelines and delivering products. The express cargo industry, by creating and integrating door to door linkage across domestic and international regions along with shipment tracking facilities, serves the need for time sensitive logistics services.

1. **Industry Structure and Developments:**

The logistics industry is crucial for the efficient movement of products and services across the globe. The logistics business is highly fragmented and has innumerable participants, including major domestic players, worldwide industry leaders, the government postal service, and rising start-ups to focus on e-commerce sector. The industry includes transportation, warehousing, and value-added services like packaging, labelling, and inventory management. With the advent of technology-driven solutions such as transportation management systems (TMS) and warehouse management systems (WMS), India's logistics industry has witnessed tremendous development in recent years.

These solutions have assisted logistics firms in increasing operational efficiency, lowering costs, and improving customer service and advancements in digital technologies, changing consumer preferences due to e-commerce, government reforms, and shift in service sourcing strategies are expected to lead the transformation of the Indian logistics ecosystem. Digitalization will improve the efficiency and performance in freight management and port operations. Warehouse automation is helping in achieving operational efficiencies to counter supply-chain cost pressures in the industry. Increased investment in infrastructure, last-mile connectivity, and emerging technologies are streamlining the logistics landscape in India.

In accordance with Summary of Economic survey for the Financial Year 2022-23, issued by the Ministry of Finance, the Indian economy is expected to grow over 7 per cent in the current financial year 2023-24 and strong growth supported by government reforms, transportation sector development plans, growing retail sales, and e-commerce sector are likely to be the key drivers of the logistics industry in India. Manufacturing in India holds the potential to contribute up to 25%–30% of the GDP by 2025 which will drive the growth of the transportation segment in India.

Considering the report on Warehousing and Logistics sector in India issued by India Brand Equity Foundation, the logistics sector represents five percent of India's Gross Domestic Product (GDP) and is predicted to account for 14.4% of the GDP. Adding to the growth are the new policies that are set to give the industry a much-needed push. Improving the efficiency of the logistics sector is of high importance for the country's economy as it boosts economic growth, grows exports through global supply chains and generates employment.

Logistics are a fundamental part of business infrastructure and one of the key enablers in the global supply chain. The motivation given by the government to build the infrastructure in the recent budget is the biggest positive for the Indian logistics sector.

Indian Economy Overview:

The Indian economy is the fifth largest in the world and we have our sights set on becoming a $5 trillion economy by 2025. One of the big drivers of this growth is expected to come with the expansion of the logistics industry in India which employs 22 million peoples and acts as the backbone for multiple industries. Investing in infrastructural development by creating dedicated freight corridors, improving connectivity by road, rail and the sea, and enabling technology driven solutions for improved visibility across the supply chain will be critical, if India is to accelerate and sustain GDP growth. India is one of the countries with the largest population and an expansive geographical coverage which contributes to many of the factors that influence logistics in the country. The pandemic has seen a shift with countless challenges unique to each region. The logistics industry is seeing its fair share of ups and downs, however trends suggest better growth for this sector in the coming year.

As of 2022, the size of the logistics industry in India was valued approximately at $250 billion with the market poised to grow to an impressive $380 billion by 2025, registering a healthy growth rate of 10%-12% year on year. However, the ecosystem is still coming to grips with many challenges, with India ranking 44th in the Logistics Performance Index (LPI) released by the World Bank, and industry watchers agreeing that the cost of logistics needs to be brought down. The year 2022 was a hit-and-miss for many of the key players in the industry. ICRA's reports suggested a growth rate of 14-17 % for the 21-22 fiscal year. Moreover, around 14.4 %

of the GDP is accounted for by the logistics industry. A substantial amount of the population that are employed work in this sector. In India, the cost of logistics hovers around 12%- 13% of GDP mark which is much higher compared to BRICS countries, or US and Germany that are at 11%, 9.5 % and 8%, respectively. The Government has already outlined many steps to bring this number down to 8% by 2030, in order to drive enterprise efficiency.

As regards the Union Budget of 2023, expectations center around implementation of plans outlined as part of the National Logistics Policy (NLP) that the Prime Minister of India, launched in September 2022 with an aim at enhancing economic growth, increasing employment and improving the competitiveness of domestic products in domestic markets and abroad, the NLP will establish a single-window e-logistics market and promote the seamless movement of goods across the country.

This was a natural next step following the Gati Shakti National Master Plan that seeks to urgently improve first and last-mile connectivity, which continues to be a roadblock for e-commerce players, MSMEs across the board. With the unorganized sector amounting to over 90% of the logistics industry, there is a need for less-fragmented communication between various stakeholders. A technology driven framework can bridge the gap between manufacturers, government bodies, customs, shippers, service providers by enabling information exchange in a secure, confidential, and real time or near real time manner, as outlined by the Unified Logistics Interface Platform (ULIP.)

Indian Logistics Industry Overview:

The logistics industry in India, considered to be the lifeline of the country, holds unprecedented importance as it connects various markets, suppliers and customers dotted across the country, and has now been firmly embedded as an integral part of the national GDP value chain.

Based on service offerings, the logistics sector can be sub-divided into road transportation, freight forwarding, warehousing and value-added services and other logistics services such as container logistics, cold chain logistics, coastal shipping, and so on. The road transportation dominates India's logistics spends, given the vast landscape and confidence on expensive road transportation. The road transportation segment can be further divided into inbound transportation, outbound transportation, and distribution, express and last-mile transportation.

The logistics industry has traditionally been highly fragmented, with several thousand unorganised entities that provide basic services such as brokerage and documentation holding a dominant share of the overall market. However, recently, the sector has been witnessing transformation, with the use of technology by both new age start-ups and established players to enhance cargo visibility, reducing errors by digitising documentation processes and by bringing transparency in pricing. The sector is expected to witness steady growth in the medium to long-term timeline, on account of growing imports and exports, supported by various infrastructure development measures taken by the government.

The Government of India has undertaken various measures to develop the logistics infrastructure in the country. Some key measures are listed below:

- The logistics sector has been granted infrastructure status allowing the sector to have access to funds at easier terms with enhanced limits.
- The National Logistics Policy (NLP) has been drafted to focus on the development of a fully integrated logistics network with best-in-class technology and automation. The NLP will enable the creation of a single point of reference for all logistics and trade facilitation matters in the country, which will also function as a knowledge and information-sharing platform.
- Western Dedicated Freight Corridor (WDFC) and Eastern Dedicated Freight Corridor (EDFC).
- Fitment of FASTag has been mandated by the Ministry of Road Transport and highways to ensure 100% e-tolling at toll booths. It ensures ease of payments, and reduction of waiting time at tolls.

2. **About Arshiya Business:**

Arshiya Limited together with its subsidiaries is a flagship Company of Arshiya Group. It is pioneer in development of Free Trade Warehousing Zone FTWZ (FTWZ), Unified Supply Chain and integrated logistics infrastructure solution provider with Group headquartered in India. The group businesses comprise of

Logistics, Free Trade and Warehousing Zone (FTWZ), Third Party Logistics Services (3PL), Supply Chain Management solutions and Data Centre.

Multi-Purpose SEZ:

The Company's Free Trade Warehousing Zone at Panvel has been declared as a multi-Purpose SEZ. Another FTWZ at Khurja, UP owned by a material subsidy, which is under CIRP has also been declared as a multi-Purpose SEZ. The said subsidiary being a MSME, The Company has submitted a Resolution Plan for the said subsidiary.

This will increase the suite of services Arshiya Group offers to include manufacturing (E.g. manufacturing of mobile, telephone, other electronics devices sector for availing off-set benefits) along with FTWZ services already offered. Given the Governments push toward an Atma-Nirbhar India (PLI scheme) as well as a global push of multinationals to have a 'China - Plus One' strategy, the Company sees this as a strategic foray into offering manufacturing facilities to Global Marquee Clients in multiple sectors.

Free Trade Warehousing Zone (FTWZ) Business.

Arshiya Group has a presence in two major warehouse clusters, viz., Panvel - JNPT & Khurja, NCR.

Arshiya FTWZ facility at Panvel - JNPT warehousing cluster caters to the EXIM demand as also to the consumption led demand. The Panvel warehouse cluster on account of its proximity to JNPT has emerged as a suitable warehouse hub for EXIM cargo for SAARC countries. The emerging new infrastructure, the quick access to JNPT, it's strategic location and seamless operation capabilities helping many organizations to increase and optimize their business via Just in Time Model (JIT Model) and it will drive in more consumption- based demand in South Asian region in near future.

The National Capital Region (NCR), being the country's largest urban agglomeration is one of the most important warehousing markets of the country. Also called the gateway to the north, warehousing in NCR is spread across major road networks. The market not only caters to the intrinsic warehousing demand of the National Capital region, but also acts as a key storage and warehousing hub for the neighboring states. Over the years, warehousing in NCR has shifted from areas that had godown-type structures to newer areas that are well connected to major infrastructure roads and have the luxuries of contiguous land availability for the organized warehousing players to build international quality warehouses. These newer locations are just off the main national highways and have witnessed phenomenal growth in terms of quality warehousing clusters and facilities.

Arshiya Group's FTWZ facility at Khurja continues to offer a great value proposition to customers operating out of North India, either importers or exporters across different sectors including Telecom, Electronics, Chemicals, aircraft engines etc. Khurja is the proposed junction for western dedicated freight corridor and eastern dedicated freight corridor. It will result in Khurja becoming a strategic location in the supply chain Industry which will result into promising growth for FTWZ Khurja in near future.

Supply Chain Management and Third Party Logistics (3PL) Services.

The Company's subsidiary Companies are in the business of providing 3PL and other value optimisation services such as handling and transportation, packaging, consolidation, palletisation, labelling, kitting, bagging, bottling, cutting-slitting, survey, quality assurance, refurbishment, repairs and maintenance, washing, etc., to various clientele.

Data Centre Business.

The Company had outlaid plan to setup an additional segment, i.e., Electronic hardware and software (including information technology enabled services) in the notified area for FTWZ at its Panvel facility wherein company planned to develop IT/ITES Park on an area of approximately 25 acres of land. The requisite 25 acres of land situated at Panvel FTWZ had been notified as IT / ITES Park and on the said land of the Company plans to build "Hyper-scale Data Centre Park" with a constructible area of approximately 2 to 3 million square feet.

3. Opportunities and Threats:

The management of the Company is consistently identifying potential areas where the Company can grow and enhance its market share, grab opportunities and brand prominence. Some of the identified opportunities are as follow:

- A cross selling of services across various facilities, customers, and offerings.
- Exploring businesses in new geographies with strong support from the existing clients.
- Focus on consumption-based commodities enabling high volume.
- Rightly placed at the time when a lot of push from Govt. is in place for reduction of logistics cost.
- Desperate Indian Manufacturing industry which requires immense support from Logistics Service providers.
- Policy decision of the Govt. related to EXIM trade by introduction of Direct Port Delivery (DPD) system was first introduced in Jawaharlal Nehru Port (JNPT) for all the registered members associated with the Customs Accredited Client Program (ACP).

The management also focus on potential threats to our business sector, owing to evolving macroeconomics factors and client's perceptions. Some of the key risks are as follow:

- Growing competition from other Logistics and warehouse businesses.
- Malpractices from Un-organized players due to lack of tracking mechanism.
- Time and again slow down due to macro-economic scenarios.

4. Segment-Wise / Product-Wise Performance:

The Company is engaged in the business of operating Free Trade & Warehousing Zone (FTWZ) and Special Economic Zone (SEZ)" with in India. Considering the nature of the Company's business and operations, as well as, based on reviews by the chief operating decision maker there is only one reportable segment in accordance with the requirement of Ind AS 108 "Operating Segment" prescribed under Companies (Indian Accounting Standards) Rules 2015.

The disclosure of segment reporting as per the requirements of Ind AS 108 "Operating Segment" is reported in the consolidated financial statements of the Company. Therefore, the same has not been separately disclosed in the standalone financial statements in line with the requirement of Ind AS 108.

5. Outlook:

As per Indian container market trend over the last few years, installed capacities and handled volume have been growing proportionately which is a positive sign for the industry. Year over year growth of Indian container installed capacity and throughput were rising. The Global & Indian Operators are trying to attract transshipment cargo which could trigger inclusive growth in box trade. The surge in India's EXIM trade is expected to continue, entailing persistent expansion in container traffic in the years to come. The container freight stations form an important part of the EXIM supply chain, and their role in managing and sustaining such growth will be crucial. The Enhanced infrastructural facilities, seamless and uninterrupted operations, standardized charges and transparency on crucial aspects such as selection of Container Freight Station (CFS) can potentially go a long way in improving operations at container freight stations as well as strengthening the logistics supply chain as a whole.

It is hard to miss the role of logistics in the progress of the nation. It ensures that the consumers procure their goods on time from producers. Moreover, the logistics industry's performance can also be linked with the health of the economic demand. Often operating volumes of logistics firms swell during economic prosperity and drop during economic downturns.

India's transportation and logistics sector can act as the backbone to support this fast-paced growth, which the country is poised to achieve in the next 25 years. India's target to have US$1t merchandise export by 2030 will be a significant driver to push trade, thereby increasing freight movement. Vision@2047 aims to set specific targets for 10 sectors to transition India into a developed nation by 2047 and it is a guiding principle which is being supported by multiple regulatory and government initiatives to revamp India's logistics sector.

In the press release issued by the Ministry of Finance, GST collections in April 2023 touched all time high of ₹1.68 lakh crores which have been driven by an 11-year high GDP growth. Further, mandatory e-invoicing being limited to ₹5 Crores and above from 01.08.2023 would further lay emphasis on even smaller entities on being more compliant. In the consequences of the pandemic, financially strong and organized players stand to benefit at the expense of smaller and marginal players who dominate the industry. The inherent strength in our business model ensures that our operations are spread across the country, catering to variety of products across industries with wide range of Customers. We have undertaken an internal review and are conducting focused state-region level meetings to increase the freight density in the local pockets for growth and encouraged by the response to such initiative, your company has tremendous potential to expand its bouquet of offerings in India.

6. **Risks and Concerns:**

The Company endeavors to identify and manage the risks it is exposed to, both internal and external, and has put in place mechanisms to handle the same proactively and competently. The Company also recognises that these risks could adversely affect its ability to create value for all stakeholders and has taken steps to mitigate the same.

Following are the major risks to which the Company is exposed to are:

- The Company's business is primarily dependent on Indian EXIM Trade which, in turn, is dependent on global economic conditions. All the factors which can affect global economic conditions have a direct impact on the logistics business. Given the projected growth in the Indian economy and expected recovery in global trade, rising spending in the infrastructure and manufacturing space, it is estimated that imports will continue to rise steadily.

- The Company operates in a highly competitive industry dominated by many unorganised players some of whom are even engaged in malpractices. Many segments within the logistics industry are highly commoditised and have low entry or exit barriers, leading to a market with a very high degree of fragmentation.

- The changes in political conditions, microeconomic conditions. Inflation rate, infrastructural development rates, tax rates, Government's regulatory policies, credit norms, etc. could be seen as risk factors affecting the Company's businesses.

- There is an increase in the competition from other organised and unorganised third-party logistics or people transport providers which may lead to a reduction in revenues, profit margin and a loss of market share. To mitigate this, the Company creates value through integrated technology-based solutions, transport network-based solutions, and skill development of its employees.

7. **Internal control systems and their adequacy:**

The Internal Control Systems of the Company perfectly correspond with the nature of its business and the size and complexity of its operations.

The Company has a well-established framework of internal controls in place, supported by policies, guidelines and procedures, including suitable monitoring procedures. The Audit Committee reviews adequacy and effectiveness of the internal control processes and systems. It also monitors the implementation of audit recommendations, with the perspective of strengthening the Company's risk management systems. A management team additionally conducts quarterly reviews. It assesses the internal control environment, checks the adequacy concerning the business and makes relevant recommendations.

The financial and operating controls of the Company are reviewed regularly by the Internal Auditors, as per the annual plan.

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorized, recorded, and reported correctly. Such internal controls are supplemented by an extensive program of internal audits, review by management and documented policies, guidelines, and procedures.

8. **Financial performance with respect to operational performance.**

Standalone financial performance:

₹ In Lakh

Particulars	As on 31.03.2023	As on 31.03.2022	Variance	Variance in %
INCOME:				
Revenue from operations	2,619.48	6,193.34	(3,573.86)	(57.70)
Other income	1,524.17	818.96	705.21	86.11
Total Income	**4,143.65**	**7,012.30**	**(2,868.65)**	-
EXPENSES:				

Employee benefits expenses	1,273.27	1,299.13	(25.86)	(1.99)
Finance costs	11,434.00	8,646.77	2,787.23	32.23
Depreciation and amortization expenses	836.62	1,032.54	(195.92)	(18.97)
Impairment of deemed investment in subsidiaries	5,483.40	-	5,483.40	100.00
Other expenses	3,264.53	3,121.09	143.45	4.60
Total Expenses	**22,291.83**	**14,099.53**	**8,192.30**	-
Profit/(loss) before exceptional items and tax	**(18,148.18)**	**(7,087.23)**	**(11,060.95)**	**156.07**
Exceptional Items (net)	-	47,244.27	(47,244.27)	100.00
Profit/(loss) before tax	**(18,148.18)**	**40,157.04**	**(58,305.22)**	**(145.19)**
Tax expense	-	-	-	-
Profit/(loss) for the year	**(18,148.18)**	**40,157.04**	**(58,305.22)**	**(145.19)**

Remarks for major variances:

1. Revenue from operations is lower due to higher provisioning for expected credit loss by the operating subsidiaries, which impacted the business conducting fee income of the Company to be received from the operating subsidiaries.
2. Other income is higher due to gain recognized on sale of property, plant and equipment.
3. Finance cost higher due to compounding interest and penal interest on account of non-payment of debt.
4. During the current year, the Company is provided impairment of Deemed investment in subsidiaries (notional accounting entries).
5. The exceptional items during the year ended 31st March 2022 represent settlement of debts (net).

Consolidated financial performance:

₹ In Lakh

Particulars	As on 31.03.2023	As on 31.03.2022	Variance	Variance in %
INCOME:				
Revenue from operations	14,257.66	15,014.12	(756.486)	(5.04)
Other income	1,959.92	9,674.09	(7,714.17)	(79.74)
Total Income	**16,217.58**	**24,688.21**	**(8,470.63)**	-
EXPENSES:				
Warehousing, transportation and handling costs	2,057.54	1,775.45	282.09	15.89
Employee benefits expenses	1,889.73	1,996.63	(106.90)	(5.35)
Finance costs	21,185.22	16,217.40	4,967.82	30.63
Depreciation and amortization expenses	7,934.57	7,181.47	753.10	10.49
Other expenses	7,008.95	3,356.37	3,652.58	108.83
Total Expenses	**40,076.01**	**30,527.32**	**9,548.69**	-
Profit/(loss) before exceptional items and tax	**(23,858.43)**	**(5,839.11)**	**(18,019.32)**	**308.60**
Exceptional Items (net)	8,221.83	48,988.99	(40,767.16)	(83.22)
Profit/(loss) before tax	**(15,636.60)**	**43,149.88**	**(58,786.48)**	**(136.24)**
Tax expense	45.85	28.82	17.03	59.09
Profit/(loss) for the year from Continuing Operations	**(15,682.45)**	**43,121.06**	**(58,803.51)**	**(136.37)**
Profit/(loss) for the year from Discontinuing Operations	(2.24)	(730.29)	728.05	(99.69)
Net Profit/(loss) for the year	**(15,684.69)**	**42,390.77**	**(58,075.46)**	**(137.00)**

Remarks for major variances:

1. Other income is lower due to gain recognized on sale of subsidiary in previous year.
2. Finance costs are higher due to compounding interest and penal interest on account of non-payment of principal and interest.
3. Other expenses are higher due to provision for expected credit losses and loans and fair value adjustment in respect of capital advances.

4. The exceptional items during the year ended 31st March 2022 represent settlement of debts (net).

9. Material developments in Human Resource/Industrial Relations Development:

Arshiya Group has ~ 168 employees. As the Company is growing, it focuses on development of all the employees by providing them appropriate training. Strong emphasis is placed on building a healthy and rewarding work environment while constantly improving employee engagement.

The Company provides an open and dynamic work environment where the organization believes in its people and recognizes that its success and growth are driven by people.

Our Human Capital is our competitive advantage. Our employees deliver extraordinary results for our customers on a continuous basis. We respect our people and value the strength of each employee.

10. Details of significant changes in key financial ratios along with detailed explanations thereof:

Particulars	Standalone		
	31.03.2023	31.03.2022	Variation
Debtors Turnover Ratio	1,854.61	1,125.26	64.82%
Inventories Turnover Ratio	-	-	-
Interest Coverage Ratio	(0.57)	5.86	-109.66%
Current Ratio	0.67	0.85	-20.46%
Debt Equity Ratio	1.13	0.78	44.47%
Net Debt/EBIDTA	(14.13)	27.59	-151.10%
Operating Profit Margin	(73.23) %	28.63%	-101.86%
Net Profit Margin	(692.82) %	648.39%	-1,341.21%

1. Debtors Turnover Ratio is decreased due to bad debts and reeducation in turnover.
2. Interest Coverage Ratio is decreased due to decreased in earning and increased in finance cost.
3. Debt Equity Ratio is increased due to non-payment of interest on debts and accumulated losses.
4. Net Debt/EBIDTA Ratio is decreased due to higher accrued interest is view of One Time Settlement with one of the financial lender of the Company.
5. Operating Profit Margin is decreased due to fair value adjustment in respect of capital advance.
6. Net Profit Margin Ratio decreased due to impairment of investment in subsidiaries, bad debts etc.

11. Disclosure of accounting treatment:

The Company has followed the Indian Accounting Standards notified under Section 133 of the Act read with Companies (Indian Accounting Standards (Ind AS) Rules, 2015 in preparation of its financial statements.

The aforesaid information's of management discussion and analysis (MDA) are in accordance with requirements of the Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) (amendment) Regulations, 2018.

CORPORATE GOVERNANCE REPORT

REPORT ON CORPORATE GOVERNANCE

1. **Corporate Governance Philosophy:**

The Company's philosophy on Corporate Governance has been developed with a tradition of fair and transparent governance, transparency, integrity, professionalism, and accountability-based values. The continued application of these principles to the business practices has led to the growth of the Company over the years.

The Corporate Governance is based on preserving core beliefs and ethical business conduct while maintaining a strong commitment to maximise long-term stakeholder value. The Company is focused towards bringing transparency in all its dealings, adhering to well-defined corporate values, and leveraging the corporate resources for long term value creation.
The Company believes that corporate governance is beyond financial results and is a pre-requisite to the attainment of excellent performance in terms of value creation. The Company believes Corporate Governance is an ethically driven business process that is committed to values, aimed at enhancing an organization's brand and reputation. It is imperative to establish, adopt and follow best corporate governance practices, thereby facilitating effective Management and carrying out our business by setting principles, benchmarks and systems to be followed by the Board of Directors ("the Board"), Management and all Employees in their dealings with Customers, Stakeholders etc. The objective of the Company is not only to achieve excellence in Corporate Governance by conforming to prevalent mandatory guidelines on Corporate Governance but also to improve on these aspects on an ongoing basis with a continuous attempt to innovate in adoption of best business practices for value creation.

The Company continues to strengthen its governance principles to generate long-term value for its various stakeholders on a sustainable basis thus, ensuring ethical and responsible leadership both at the Board and at the Management levels.

The Company believes that good Corporate Governance is a dynamic process and strives to further improve the Corporate Governance practices to exceed the expectations of all the stakeholders. We detail hereunder the Company's compliance with the Companies Act, 2013 and Regulation 34(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "**SEBI Listing Regulations**"):

2. **The Board of Directors:**

The Board of Directors is supreme body and creates a culture of leadership providing long-term vision and improving governance practices. They play a crucial role in guiding, overseeing, monitoring strategy, performance, and long-term success of the Company as a whole through strategic direction. The primary role of the Board is to protect the interest and enhance value for all the stakeholders.

The Board of Directors owns a fiduciary position, exercises appropriate control and independent judgement, monitors effectiveness of Company's governance and supervises the strategic decisions on behalf of the shareholders and other stakeholders.

a) Size and Composition of the Board

The composition of the Board is in conformity with Section 149 and Section 152 of the Companies Act, 2013 ("the Act") and Regulation 17 of the SEBI Listing Regulations, which stipulates that the Board shall have optimum combination of executive and non-executive directors with at least one independent woman director and at least 50% of the Board shall consist of independent directors, as the Chairman of our Board is an executive director. As per the declarations received by the Company from each of the Directors, none of them are disqualified under Section 164(2) of the Companies Act, 2013.

As on March 31, 2023, the Board comprised of seven Directors. Out of these, two are Executive Directors - Chairman & Managing Director and Joint Managing Director, who are also the Promoters of the Company and, liable to retire by rotation and five Non-Executive Independent Directors ('IDs') including one Independent Woman Director. The Directors possess the requisite qualifications, expertise and experience in general corporate management, accounts, audit, finance, banking, academics, law, engineering and other allied fields enabling them to contribute effectively to their capacity as Directors of the Company. The strength of the Board of Directors of the Company is as below:

Sl. No.	Category of Directors	Number of Directors
1	Executive Director	1
2	Woman Executive Director	1
3	Non-Executive Woman Independent Director	1
4	Non-Executive Independent Director(s)	4
	Total	7

None of the Directors of the Company are directly or indirectly related to each other except Mr. Ajay S Mittal who is husband of Mrs. Archana A Mittal. As required under Regulation 36 of SEBI Listing Regulations, particulars of Director seeking appointment/re-appointment have been annexed to the Notice of Annual General Meeting.

The Company has issued a formal appointment letter to the IDs, as required under Section 149 of the Act, read with schedule IV of the Act. The terms and conditions of appointment of IDs are available on the Company's website www.arshiyalimited.com Independent Directors are non-Executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of the SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the Management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

None of the Independent Director serves as an Independent Director in more than seven listed companies.

b) Board Meetings and Annual General Meeting:

During the financial year, five meetings of Board of Directors were held. These were held on 30th May 2022, 3rd June 2022, 10th August 2022, 14th November 2022 and 14th February 2023. The previous 41st Annual General Meeting (AGM) of the Company was held on 27th September, 2022 through Video Conferencing. Attendance of Directors at the Board Meetings, 41st AGM and number of other Directorships and Chairmanships/Memberships in committees of each Director in various Companies as on 31st March 2023 are as under:

Name of the Directors	Category	Attendance		No. of Director ships in other public Companies	Committee positions	
		Board	AGM- (27.09. 2022)		Chairperson	Member
Mr. Ajay S Mittal	Chairman & Managing Director (Promoter Group)	6	Yes	6 @	-	3
Mrs. Archana A Mittal	Joint. Managing Director (Promoter Group)	6	Yes	1 @	-	-
Mr. Ashishkumar Bairagra	Non-Executive Independent Director	6	Yes	7 @	3	3
Mr. Rishabh Shah	Non-Executive Independent Director	6	Yes	5 @	1	3
Dr. Ms. Priya Madhukar Kenkare *	Non-Executive Woman Independent Director	6	NA	-	-	-
Mr. Ved Prakash	Non-Executive Independent Director	6	Yes	-	-	-
Mr. Kiran Shinde **	Non-Executive Independent Director	2	Yes	-	-	-

**Dr. Ms. Priya Kenkare appointed on 7th October 2022.*
***Mr. Kiran Shinde appointed on 8th July 2022 and resigned on 7th April 2023.*
@During the financial year 2022-23, Arshiya Northern FTWZ Limited, one of the material subsidiary has been admitted under Corporate Insolvency Resolution Process (CIRP), hence powers of the directors are suspended.

Notes:

1. The above list of other directorships includes Public Companies (listed and unlisted) but does not include Private Limited Companies, Foreign Companies and Companies incorporated under Section 8 of the Companies Act, 2013.
2. It includes Chairmanship or Membership of the Audit Committee and Stakeholders' Relationship Committee of Public Companies (listed and unlisted) only.

c) Separate Independent Directors Meeting

Pursuant to Schedule IV of the Companies Act, 2013 and as per Regulation 25(3) of the SEBI Listing Regulations, a separate meeting of Independent Directors of the Company was held on Tuesday, 14th February, 2023. No member of the Management was present at the said meeting.

d) Listed entities, where the directors of your Company are directors as on March 31, 2023, and their category therein is as under:

Sr. No	Name of the Director	Name of Other Listed Companies were the Directors hold Directorship	Category
1.	Mr. Ajay S Mittal	Mega Fin (India) Limited	Non-Executive -Director
2.	Mrs. Archana A Mittal	NIL	NA
3.	Mr. Ashishkumar Bairagra	NIL	NA
4.	Mr. Rishabh Shah	Kesar Enterprises Limited	Non-Executive Independent Director
5.	Dr. Ms. Priya Kenkare *	NIL	NA
6.	Mr. Ved Prakash	NIL	NA
7.	Mr. Kiran Shinde **	NIL	NA

**Dr. Ms. Priya Kenkare appointed on 7th October 2022.*
**Mr. Kiran Shinde appointed on 8th July 2022 and resigned on 7th April 2023.

e) Details Non-Executive Director's Shareholding in the Company as on 31st March, 2023 and sitting fees paid during financial year 2022-23 are as under:

Name of Non-executive Director	Equity Shares held (Number)#	Sitting Fees@ (in Rs.)
Mr. Ashishkumar Bairagra	NIL	1,25,000/-
Mr. Rishabh Shah	NIL	1,05,000/-
Dr. Ms. Priya Madhukar Kenkare *	NIL	40,000/-
Mr. Ved Prakash	NIL	40,000/-
Mr. Kiran Shinde **	NIL	40,000/-

* *Dr. Ms. Priya Kenkare appointed on 7th October 2022*
** Mr. Kiran Shinde appointed on 8th July 2022 and resigned on 7th April 2023.
@ The sitting fees is paid for attending Board Meetings and Audit Committee Meetings only.
\# The Company has not issued any convertible securities.

f) Details of resignation of independent director if resigned before the term:

On 7th April 2023, Mr. Kiran Shinde has resigned as an Independent Director before expiry of his term due to pre-occupancy and unavoidable circumstances.

g) Executive Directors:

The Executive Directors are responsible for achieving the Company's vision and mission, business strategies, project execution, significant policy decisions and all the critical issues having significant business & financial implications. They are also responsible for the overall performance and growth of the Company and to ensure implementation of the decisions of the Board of Directors and its various Committees.

h) Familiarization Programme:

The Company has also conducted familiarisation programme for the Independent Directors of the Company for the F.Y 2022-23, the web link for the information relating to familiarisation programme is http://www.arshiyalimited.com/arshiya/assets/pdf/Familarisation%20programmes%20for%20ID.pdf

i) Matrix of skills/expertise/competencies of the Board of Directors:

The Board of the Company comprises qualified members with the required skills, competence, and expertise for effective contribution to the Board and its Committee. The Board members are committed to ensure that the Company is in compliance with the highest standards of Corporate Governance.

The table below summarises the list of core skills/expertise/ competencies identified by the Board of Directors for effectively conducting the business of the Company and are available with the Board. The table also mentions the specific areas of expertise of individual Director against each skill/ expertise/competence:

Core Skills/Expertise/Competences	Name of Directors
- **Operation:** - Store Operations - Human Resources - Supply Chain	Mr. Ajay S Mittal Mrs. Archana A Mittal Mr. Ashishkumar Bairagra Dr. Ms. Priya Kenkare* Mr. Ved Prakash Mr. Kiran Shinde**
- **Compliance & Corporate Governance**	Mr. Ajay S Mittal Mrs. Archana A Mittal Mr. Ashishkumar Bairagra Mr. Rishabh Shah Dr. Ms. Priya Kenkare* Mr. Kiran Shinde**
- **Financial functions**	Mr. Ajay S Mittal Mrs. Archana A Mittal Mr. Ashishkumar Bairagra Dr. Ms. Priya Kenkare* Mr. Ved Prakash Mr. Kiran Shinde**
- **Legal functions**	Mr. Ajay S Mittal Mrs. Archana A Mittal Mr. Ashishkumar Bairagra Mr. Rishabh Shah Dr. Ms. Priya Kenkare* Mr. Ved Prakash
- **Business Development**	Mr. Ajay S Mittal Mrs. Archana A Mittal Mr. Ashishkumar Bairagra Mr. Ved Prakash
- **Information Technology**	Mr. Ajay S Mittal Mr. Ashishkumar Bairagra Dr. Ms. Priya Kenkare*

**Dr. Ms. Priya Kenkare appointed on 7th October 2022*
**Mr. Kiran Shinde appointed on 8th July 2022 and resigned on 7th April 2023.

j) Committees of the Board of Directors:

In compliance with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations, the Board of Directors has constituted various Committees. These Committees are entrusted with such powers and functions as detailed in their respective terms of reference. Besides, the Committees provide attention to specific matters of importance to the organisation.

There are total six Committees as on 31st March, 2023 out of which five are statutory committees and one is non-statutory committee considering the best practice in Corporate Governance of the Company.

k) Committees mandated under the Companies Act, 2013 and SEBI Listing Regulations:

1. Audit Committee,
2. Nomination & Remuneration Committee,
3. Stakeholder Relationship Committee,
4. Risk Management Committee,
5. Corporate Social Responsibility Committee

3. Audit Committee:

The Audit Committee of the Company is duly constituted as per Regulation 18 of the SEBI Listing Regulations, read with the provisions of Section 177 of the Companies Act, 2013. All the Members of the Audit Committee are financially literate and capable of analysing Financial Statements of the Company.

Mr. Ashishkumar Bairagra is the Chairman of the Audit Committee. The Statutory Auditors, Internal Auditors, Chief Financial Officer and other functional heads of the Company, Director(s) of the subsidiaries are invited to Audit Committee Meetings considering the requirement of the agenda before the meeting.

The Audit Committee acts as a link between the Management, Statutory Auditors, Internal Auditors, and the Board of Directors and oversees the financial reporting process. The Company Secretary acts as the Secretary to the Audit Committee.

a) Terms of Reference of the Audit Committee are as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of Statutory and Internal Auditors of the Company;
- Approval of payment for any other services rendered by the statutory auditors other than Audit;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of subsection 3 of section 134 of the Companies Act, 2013;
    - ii) Changes, if any, in accounting policies and practices and reasons for the same;
    - iii) Major accounting entries involving estimates based on the exercise of judgement by management;
    - iv) Significant adjustments made in the financial statements arising out of audit findings;
    - v) Compliance with listing and other legal requirements relating to financial statements;
    - vi) Disclosure of any related party transactions; and
    - vii) Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up thereon;

- Reviewing the findings of any internal investigations by the internal auditors into matters of where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

- To establish and review the functioning of the whistleblower mechanism;

- Approval of appointment of Chief Financial Officer (i.e. the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience, and background, etc. of the candidate;

- Carrying out any other terms of reference as may be decided by the Board or specified/provided under the Companies Act, 2013 or the SEBI Listing Regulations or by any other regulatory authority;

- Review of (1) management discussion and analysis of financial condition and results of operations; (2) management letters/letters of internal control weaknesses issued by the statutory auditors; (3) internal audit reports relating to internal control weaknesses; (4) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; (5) statement of deviations including (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; (b) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of the SEBI Listing Regulations;

- Reviewing the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision and

- Review the compliance of the provision of Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and verify that the systems for internal controls are adequate and operating sufficiently and forward the said report with the comments/observations to the Board of Directors of the Company.

b) Audit Committee Meetings:

During the financial year 2022-23, four meetings of the Audit Committee were held on 30th May 2022, 10th August 2022, 14th November, 2022 and 14th February, 2023. The details of composition of Audit Committee and attendance of each Committee Member are as follows:

Sr. No	Name of the Member	Designation in the Committee	Particulars of Attendance	
			No. of Meetings Held during the members tenure	No. of Meetings Held during the members tenure
1.	Mr. Ashishkumar Bairagra	Chairperson	4	4
2.	Mr. Rishabh Shah	Member	4	4
3.	Mr. Ajay S Mittal	Member	4	4

4. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee is constituted in compliance with the requirements of the provisions of Section 178 of the Companies Act, 2013 and regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations. The Nomination and Remuneration Committee recommends the nomination of Directors and carries out evaluation of performance of individual Directors. Besides, it recommends remuneration policy for Directors, Key Managerial Personnel and the Senior Management of the Company. The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

a) Terms of reference of the Nomination and Remuneration Committee are as follows:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees;

- Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Identify persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy;
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel;
- Devise a policy on diversity of Board of Directors;
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors; and
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.

b) Nomination and Remuneration Committee Meetings:

During the financial year 2022-23, five meetings of the Nomination & Remuneration Committee were held on 30th May, 2022, 8th July 2022, 7th October 2022, 14th November 2022 and 14th February 2023. The details of composition of Audit Committee and attendance of each Committee Member are as follows:

Sr. No	Name of the Member	Designation in the Committee	Particulars of Attendance	
			No. of Meetings Held during the members tenure	No. of Meetings Held during the members tenure
1.	Mr. Ashishkumar Bairagra	Chairperson	5	5
2.	Mr. Rishabh Shah	Member	5	5
3.	Mr. Ajay S Mittal	Member	5	5

c) Performance Evaluation Criteria for Independent Directors:

The Board of Directors of the Company carried out an annual evaluation of its own performance, that of committees of the Board and individual directors pursuant to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. The performance evaluation is conducted through structured questionnaires which cover various aspects such as the Board composition and structure, effectiveness and contribution to Board processes, adequacy, appropriateness and timeliness of information and the overall functioning of the Board etc. The Individual Director's response to the questionnaire on the performance of the Board, Committee(s), Directors, and Chairman, were analysed. The Directors were satisfied with the evaluation process and have expressed their satisfaction with the evaluation process.

In compliance with Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations, the Board of Directors has formulated criteria for evaluation of the Company's Independent Directors' performance. The performance evaluation of Independent Directors is carried out on the basis of their role and responsibilities, effective participation in the Board and Committee meetings, expertise, skills and exercise of independent judgement in major decisions of the Company.

5. Stakeholder Relationship Committee:

The Stakeholders' Relationship Committee of the Board was constituted in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. This Committee deals with stakeholder relations and grievances raised by the investors in a timely and effective manner and to the satisfaction of investors. The Committee oversees performance of the Registrar and Share Transfer Agents of the Company relating to investor services and recommends measures for improvement.

Mr. Rishabh Shah, Non-executive Director is the Chairperson of the Committee. Mr. Ajit Dabholkar, Company Secretary and Compliance Officer of the Company pursuant to Regulation 6 of the Listing Regulations. The Company has designated the Email Id of the Compliance Officer/authorised signatory: teamsecretarial@arshiyalimited.com for investor relations, and the same is prominently displayed on the Company's website.

a) Terms of reference of the Stakeholders' Relationship Committee are as follows:

- Investor relations and redressal of grievances of security holders of the Company in general and relating to non-receipt of dividends, interest, non- receipt of balance sheet etc;
- Approve requests for security transfers and transmission and those pertaining to re-materialisation of securities/subdivision/consolidation of shares, issue of renewed and duplicate share/debenture certificates etc;

- Resolving the grievances of the shareholders of the Company, including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends, general meetings, etc;

- Review of measures taken for effective exercise of voting rights by shareholders;

- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company and

- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such Committee.

b) Stakeholders Relationship Committee Meetings

During the year ended 31st March, 2023, one meeting of Stakeholders Relationship Committee were held on 14th February, 2023. The Company Secretary of the Company acts as Secretary to the Committee. The composition and attendance of each Member is as follows:

Sr. No	Name of the Member	Designation in the Committee	Particulars of Attendance	
			No. of Meetings Held during the members tenure	No. of Meetings Held during the members tenure
1.	Mr. Rishabh Shah	Chairperson	1	1
2.	Mr. Ashishkumar Bairagra	Member	1	1
3.	Mr. Ajay S Mittal	Member	1	1

c) Investors Complaints

The detailed particulars of investors' complaints handled by the Company and its Registrar & Share Transfer Agent during the year are as under:

Received from	Pending as on 01.04.2022	Received during 2022-23	Redressed during 2022-23	Pending as on 31.03.2023
Investors	0	0	0	0
NSE	0	0	0	0
BSE	0	1	1	0
SEBI (SCORES)	0	1	1	0
Total	**0**	**2**	**2**	**0**

The SEBI has initiated SCORES for processing the investor complaints in a centralized web-based redress system and online redressal of all the shareholders complaints. The company is in compliance with the SCORES and redressed the shareholders complaints well within the stipulated time.

6. Risk Management Committee:

Pursuant to provisions of Companies Act, 2013 read with Regulation 21 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (including any amendments thereto), top 1000 listed companies based on market capitalization as at the end of previous financial year, shall constitute Risk Management Committee and to lay down Risk Management Policy and procedures about risk management and its minimization.

a) Terms of reference of the Risk Management Committee are as follows:

- To assist the Board in execution of its responsibility for the governance and to assist the Board in setting risk strategy policies, including annually agreeing risk tolerance and appetite levels, in liaison with the Management.

- To formulate, review and recommend risk management policy and amendments, if any for Board Approval.

- To formulate the Risk Management policy which shall include:

i. A framework for identification of internal and external risks specifically faced by the entity, including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security, or any other risk as may be determined by the Committee.

ii. Measures for risk mitigation including systems and processes for internal control of identified risks.

iii. Business continuity plan

- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- To monitor and oversee the implementation of risk management policy, including evaluating the adequacy of risk management systems.
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
- To keep the Board of Directors informed about the nature and content of its discussions, recommendations, and actions to be taken.
- The appointment, removal, and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the RMC.
- The Committee shall coordinate its activities with other committees where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors
- Risk Management Committee shall meet at least twice in a year (with a gap of less than 180 days between two consecutive meetings) to review the risk management process and review the top risks, mitigation plan and status at the Company level.

b) Risk Management Committee Meetings:

During the financial year under review, two meetings of the Risk Management Committee were held on 10th August, 2022 and 14th February, 2023. The composition and attendance of each Committee Member is as under:

Sr. No	Name of the Member	Designation in the Committee	Particulars of Attendance	
			No. of Meetings Held during the members tenure	No. of Meetings Held during the members tenure
1.	Mr. Ajay S Mittal	Chairman	2	2
2.	Mr. Ashishkumar Bairagra	Member	2	2
3.	Mr. Rishabh Shah	Member	2	2
4.	Mr. Ved Prakash	Member	2	1

7. Corporate Social Responsibility (CSR) Committee:

The Corporate Social Responsibility (CSR) Committee of the Board was constituted in compliance with the provisions of Section 135 of the Companies Act, 2013.

a) Terms of reference of the CSR Committee are as follows:

- To formulate CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act and recommend same to the Board;
- To recommend the amount of expenditure to be incurred on CSR activities;
- To recommend annual action plan to Board of Directors of the Company in pursuance to the CSR policy and any modification as may be required;
- To implement and monitor the CSR activities of the Company, which shall be in compliance with CSR objectives and Policy of the Company;
- To provide a report on CSR activities to the Board of the Company periodically;

- To undertake impact assessment, if required through an independent agency as per the requirements of Companies Act, 2013 and CSR rules made thereunder;
- To monitor and review the CSR Policy of the Company from time to time; and
- To ensure the compliance of Section 135 read with Schedule VII of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 and subsequent amendments thereto.

b) Corporate Social Responsibility Committee Meetings

During the year ended 31st March, 2023, no meeting of the Corporate Social Responsibility Committee was held. The composition of each Committee Member is as under:

Sr. No	Name of the Member	Designation in the Committee	Particulars of Attendance	
			No. of Meetings Held during the members tenure	No. of Meetings Held during the members tenure
1.	Mrs. Archana A Mittal	Chairperson	-	-
2.	Mr. Ajay S Mittal	Member	-	-
3.	Mr. Rishabh Shah	Member	-	-

The Company Secretary acts as the Secretary to the Corporate Social Responsibility Committee.

8. Committee of Directors (COD):

The Committee of Directors has been delegated with various power of the Board to enable the Management to take various timely decision in the best interest of the Company and for smooth functioning of the operation of the Company. The Company Secretary and Compliance Officer of the Company acts as Secretary to the Committee.

a) Terms of Reference of the Committee:

The terms of the committee of directors include looking after the businesses of the Company and other terms which are administrative in nature and within the overall board approved directions and framework.

b) Committee of Directors Meetings

The Committee of Directors comprises of one Executive Director and two Non-Executive Independent Directors, during the year ended 31st March, 2023, one meeting of Committee of Directors were held on 19th April, 2022. The Company Secretary of the Company acts as Secretary to the Committee. The composition and attendance of each Member is as follows:

Sr. No	Name of the Member	Designation in the Committee	Particulars of Attendance	
			No. of Meetings Held during the members tenure	No. of Meetings Held during the members tenure
1.	Mr. Ajay S Mittal	Chairperson	1	1
2.	Mr. Ashishkumar Bairagra	Member	1	1
3.	Mr. Rishabh Shah	Member	1	1

9. Senior Management:

The particulars of Senior management including the changes therein since the close of the previous financial year:

Sl. No.	Names	Designation	Changes since the close of previous financial year
1.	Mr. Dinesh Kumar Sodani	Chief Financial Officer	No change
2.	Mr. Ajit Dabholkar	Vice President - Group Company Secretary & Compliance Officer and Legal Head	Appointed w.e.f. 14th February 2023
3.	Mrs. Kunjal Parekh	Company Secretary & Compliance Officer	Appointed w.e.f. 14th November 2022 and resigned w.e.f. 31st December 2022

4.	Mrs. Ratika Gandhi	Company Secretary & Compliance Officer and Legal Head	Resigned w.e.f. 4th June 2022
5.	Mr. Navnit Choudhary	VP – Commercial functions	No change
6.	Mr. Sarvothama Shetty	VP – Project in charge	No change
7.	Mr. Ssubir Shah	VP – Business Development	No change

There have been no changes in senior management since the close of the previous financial year save and except as disclosed above.

10. Remuneration of directors:

a) Criteria of making payments to Non-Executive Directors

The Non-executive Directors are entitled to sitting fees for attending the meetings of the Board of Directors and Committees thereof. Sitting fees paid / payable to non-executive Directors is within the limits prescribed under the Companies Act, 2013 and as determined by the Board of Directors from time to time.

The details of sitting fees paid / payable for the financial year 2022-23 are as under:

Name of Non-executive Director	Sitting Fees paid (in Rs.)
Mr. Ashishkumar Bairagra	1,25,000/-
Mr. Rishabh Shah	1,05,000/-
Dr. Ms. Priya Madhukar Kenkare *	40,000/-
Mr. Ved Prakash	40,000/-
Mr. Kiran Shinde **	40,000/-

b) Reimbursement of expenses

The non-executive directors are also entitled to reimbursement of expenses for participation in the Board and other meetings in terms of the Companies Act, 2013. However, the Company has not received any claim for reimbursement of expenses from any of the non-executive directors.

c) Managing Director and the Whole-Time Director

No remuneration paid to the Managing Directors of the Company during the financial year ended 31st March 2023.

11. Corporate Policies:

In accordance with Company's philosophy of adhering to the highest standards of ethical business and corporate governance and to ensure fairness, accountability, responsibility and transparency to all stakeholders, the Company, inter-alia, has the following policies and codes in place. All the policies have been uploaded on the website of the Company.

The details of the Polices along with their Description at Web link http://www.arshiyalimited.com/corporate-policy.html are mentioned below:

Name of the Policy	Brief Description
Nomination and Remuneration Policy	The purpose of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees.
Related Party Transaction Policy	The purpose of this policy is to regulate all transactions between the Company and its related parties.
Code of conduct for prevention of insider trading & Code of corporate disclosure practices	The purpose of this Policy is to provide the framework for dealing in securities of the Company.
Policy on Material Subsidiary	The purpose of this policy is to determine the material subsidiaries and to provide the governance framework for them.
Risk management Policy	The purpose of this policy is to lay down the framework of the Risk Management.
Whistle Blower Policy (Policy on Vigil Mechanism)	The purpose of this policy is to provide mechanism for Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's code of conduct and ethics.
Policy on Board Diversity	The purpose of this policy is to have optimum combination of

	Directors from different areas and fields.
Archival Policy	The purpose of this Policy is to archive any of the material events or information which are disclosed by the Company to the Stock Exchanges.
Policy for determination of Materiality of any event / information	The purpose of this Policy is to determine materiality of events and information and to ensure that the Company shall make disclosure of events / information.
Policy for preservation of documents	The purpose of this Policy is to ensure that all the necessary documents and records of the Company are adequately protected and preserved as per the statutory requirements.
Policy on Corporate Social Responsibility	The purpose of this policy is to identify the activities wherein the Company can contribute for fulfilling its Corporate Social Responsibility.
Policy on Board Evaluation	The purpose of the Board Evaluations to achieve persistent and consistent improvement in the governance of the Company at the Board level with the participation of all concerned in an environment of harmony
Dividend Distribution policy	The purpose of this Policy is to facilitate the process of dividend recommendation or declaration and its pay-out by the Company which would ensure a regular dividend income for the shareholders and long-term capital appreciation for all stakeholders of the Company
Code of Conduct for Board of Directors and Senior Management	The purpose of this policy is that the Board Members and Senior Management Personnel must act within the authority conferred upon them and in the best interests of the Company

12. Subsidiary Companies:

All corporate governance requirements of the SEBI Listing Regulations, as applicable to material unlisted subsidiary, have been complied with by the material unlisted subsidiaries of the Company.

In compliance with the conditions specified in Regulation 24(1), Independent Director(s) on the Board of the Company, have been appointed as Independent Director(s) on the Board of the Material Indian Subsidiaries. Further, in compliance with Regulation 24(2) financials of the subsidiary companies were reviewed by the Audit Committee of the Company. Also minutes of the Board Meetings of the subsidiaries have been placed before the Board of directors of the Company.

13. General Body Meeting:

a) Annual General Meeting:

The details of Annual General Meetings convened during the last three years are as follows:

Financial Year	Date & Time	Venue	Special Resolution
2021-22	Tuesday 27th September, 2022 at 03:00 P.M	The Deemed Venue for the AGM was the registered office of the Company. The Company conducted AGM through VC/OAVM facility.	NIL
2020-21	Monday 27th September, 2021 at 11.30 A. M	The Deemed Venue for the AGM was the registered office of the Company. The Company conducted AGM through VC/OAVM facility.	NIL
2019-20	Friday 25th September, 2020 at 11.30 A.M	Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai - 400 018	NIL

b) Extraordinary General Meetings

No Extraordinary General Meetings of members were convened during the last three financial years.

c) Details of resolutions passed through Postal Ballot

As per Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, during the year under review, the following resolution were passed by members of the Company through Postal Ballot.

Financial Year	Day & Date	Special Resolution
2022-23	Monday 19th December, 2022	Appointment of Dr. Ms. Priya Madhukar Kenkare (DIN: 09758394) as an Independent Woman Director of the Company

14. Means of communication:

Website	- All the information and disclosures required to be disseminated as per Regulation 46(2) of the Listing Regulations and Companies Act, 2013 are being posted at Company's website: http://www.arshiyalimited.com/ - The official news releases and presentations to the institutional investors or analysts, if any, are disseminated to the Stock Exchange at www.nseindia.com and www.bseindia.com and the same is also uploaded on the website of the Company http://www.arshiyalimited.com/
Quarterly Results	The Company communicates to the Stock Exchanges about the quarterly financial results within 30 minutes from the conclusion of the Board Meeting in which the same is approved. The results are usually published in Free Press Journal (English) and the Mumbai Lakshadeep/ Navshakti Newspaper (Marathi) newspapers circulated in Mumbai, where the registered office of the Company is situate. The said Financials results were also placed on the Company's website http://www.arshiyalimited.com/
Designated e-mail address for investor services	To serve the investors better and as required under Listing regulations, the dedicated / designated e-mail address for investors communication is info@arshiyalimited.com

15. General shareholders' information:

Date, Time and Venue of 42nd AGM	**Date** 29th September, 2023 **Time:** 03:00 P.M. **Venue:** by way of video conferencing/other audio visual means
Financial Year	1st April, 2022 to 31st March, 2023
Dividend Payment Date	NA
Registered & Corporate Office	205, Level 2, Ceejay House, Shiv Sagar Estate, F Block, Dr. Annie Besant Road, Worli, Mumbai-400018. **CIN:** L93000MH1981PLC024747 Website: www.arshiyalimited.com E-mail: teamsecretarial@arshiyalimited.com Tel : +91 022 4230 5500/501
Name and Address of Stock Exchanges where Company's securities are Listed	**National Stock Exchange of India Limited** Exchange Plaza, 5th Floor, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 **BSE Limited** Phiroze Jeejebhoy Towers, Dalal Street, Fort, Mumbai - 400 001
Stock Code:	**NSE:** ARSHIYA **BSE:** 506074
Registrar & Share Transfer Agent	**Bigshare Services Private Ltd** **For both Physical and Demat (Common Registry)** S6 – 2 Pinnacle Business Park, Mahakali Caves Road, Next to Ahura Centre, Andheri (E), Mumbai -400 093 **E-mail:** info@bigshareonline.com **Phone No:** 022-62638205 **Website:** www.bigshareonline.com
ISIN of Company' Equity Shares:	INE968D01022
Company Secretary & Compliance officer	Mr. Ajit Dabholkar

a) Financial reporting for the quarter/year ending (tentative and subject to change)

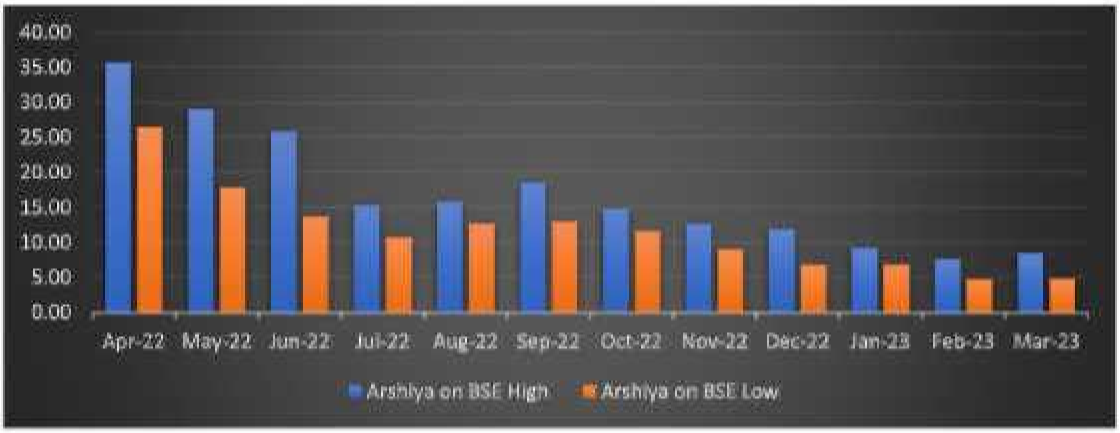
For the Quarter ended	Tentative date
June 30, 2023	On August 14, 2023
September 30, 2023	By Second week of November, 2023
December 31, 2023	By Second week of February, 2024
March 31, 2024	By Last week of May, 2024

b) Stock Market price data:

The high and low prices and volumes of your Company's shares at BSE for the financial year 2022-23 are as under:

Month	Arshiya on BSE		SENSEX	
	High	Low	High	Low
April - 2022	35.70	26.50	60,845.10	56,009.07
May – 2022	29.05	17.85	57,184.21	52,632.48
June - 2022	25.85	13.75	56,432.65	50,921.22
July - 2022	15.35	10.73	57,619.27	52,094.25
August - 2022	15.85	12.71	60,411.20	57,367.47
September - 2022	18.60	12.95	60,676.12	56,147.23
October - 2022	14.74	11.70	60,786.70	56,683.40
November - 2022	12.65	9.05	63,303.01	60,425.47
December - 2022	11.97	6.83	63,583.07	59,754.10
January - 2023	9.25	6.90	61,343.96	58,699.20
February - 2023	7.60	4.76	61,682.25	58,795.97
March - 2023	8.44	4.85	60,498.48	57,084.91

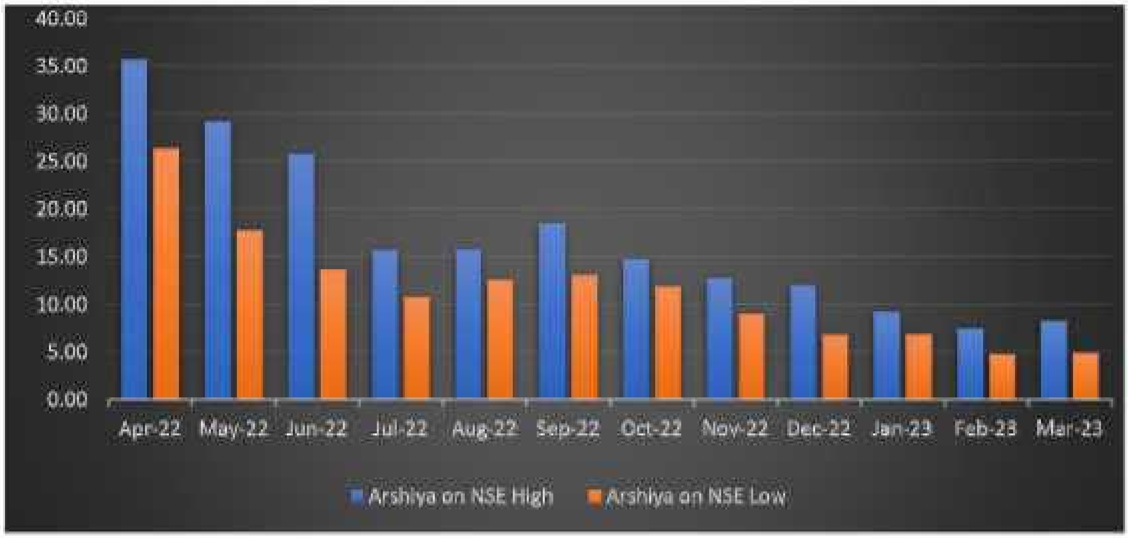
Arshiya Limited Price Movement Chart—BSE

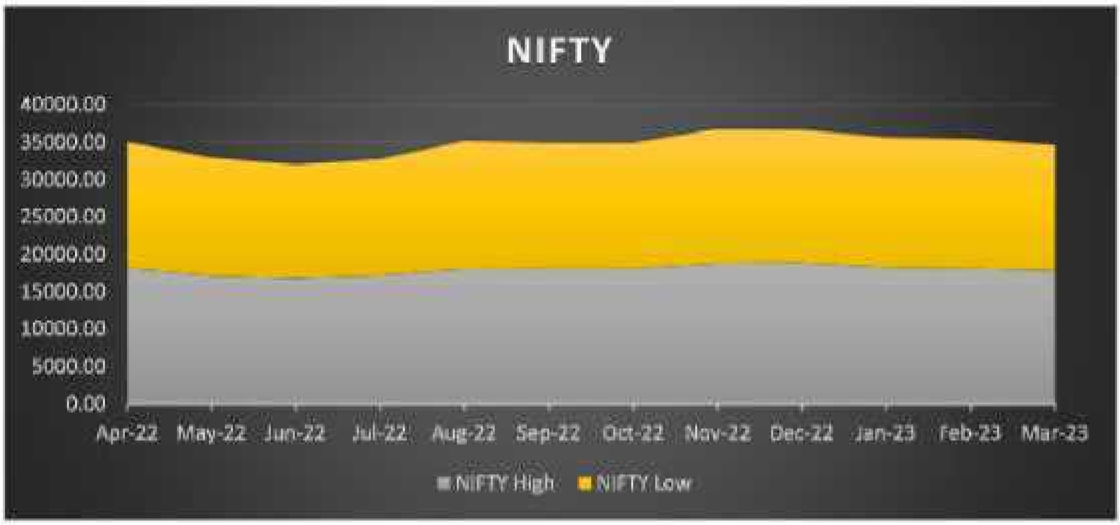


The high and low prices and volumes of your Company's shares at NSE for the financial year 2022-23 are as under:

Month	Arshiya on NSE		SENSEX	
	High	Low	High	Low
April - 2022	35.70	26.40	18,114.65	16,824.70
May – 2022	29.20	17.85	17,132.85	15,735.75
June - 2022	25.80	13.65	16,793.85	15,183.40
July - 2022	15.70	10.80	17,172.80	15,511.05
August - 2022	15.80	12.60	17,992.20	17,154.80
September - 2022	18.50	13.10	18,096.15	16,747.70
October - 2022	14.75	11.90	18,022.80	16,855.55
November - 2022	12.80	9.05	18,816.05	17,959.20
December - 2022	12.05	6.80	18,887.60	17,774.25
January - 2023	9.25	6.85	18,251.95	17,405.55
February - 2023	7.50	4.75	18,134.75	17,255.20
March - 2023	8.25	4.90	17,799.95	16,828.35

Arshiya Limited Price Movement Chart---NSE





c) **Share Transfer System:**

In terms of SEBI Listing Regulations, equity shares of the Company can only be transferred in dematerialised form including transmission or transposition of shares held in physical. Requests for dematerialisation of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL), within the statutory time limit.

For shares held in dematerialised form, kindly contact your depository participant with whom your demat account is held. Shares sent for physical transfer are generally registered and returned within a period of 15 days from the date of receipt, if the documents are in order. The Stakeholder Relationship Committee meets as often as required. As per the requirements of Regulation 40 of SEBI Listing Regulations, and to expedite the process of share transfers, the Board has delegated powers of share transfer to the Stakeholders Relationship Committee.

d) **Shareholding Pattern:**

Category of Shareholder	As on 31st March, 2023	
	No. of Shares	%
Holding of Promoter and Promoter Group		
Individual and Hindu Undivided Family	7,26,66,225	27.58
Total (A)	**7,26,66,225**	**27.58**
Non-Promoters Holding		
Clearing member	16,80,145	0.64
Corporate bodies	8,81,27,190	33.45
Employee	1	0.00
Foreign company	20,47,495	0.78
Foreign Nationals	2,50,000	0.09
Foreign Portfolio Investor (corporate)-Category I	13,22,988	0.50
Key Managerial Personnel	68,521	0.03
Mutual fund	25,000	0.01
Non-nationalized Banks	27,75,000	1.05
Non-resident Indian	26,19,181	0.99
Other directors	6,000	0.00
Proprietary firm	1,196	0.00
State Government	40,000	0.02
Public	9,18,46,973	34.86
Total (B)	**19,08,09,690**	**72.42**
Grand Total (A+B+C)	**26,34,75,915**	**100.00**

e) **Distribution of Shareholding:**

Distribution of shareholding of shares of your Company as on 31st March, 2023 is as follows:

No. of Equity Shares held	Shareholders		Shares		
	Number	%	No of share	amount	%
1-500	21475	84.40	96,60,135	1,93,20,270	3.67
501-1000	1637	6.43	63,03,347	1,26,06,694	2.39
1001-2000	1067	4.19	82,81,871	1,65,63,742	3.14
2001-3000	331	1.30	41,39,167	82,78,334	1.57
3001-4000	200	0.79	36,65,540	73,31,080	1.39
4001-5000	129	0.51	29,87,507	59,75,014	1.13
5001-10000	286	1.12	1,04,89,070	2,09,78,140	3.98
10001 and above	319	1.25	21,79,49,278	43,58,98,556	82.72
Total	**25,444**	**100.00**	**26,34,75,915**	**52,69,51,830**	**100.00**

f) **Dematerialization of shares and liquidity:**

The International Securities Identification Number (ISIN) allotted to the Company is INE968D01022. The Equity Shares of the Company are compulsorily traded in dematerialized form as mandated by the Securities and Exchange Board of India (SEBI). The Company has connectivity with National Securities Depository Limited (NSDL) as well as the Central Depository Services (India) Limited (CDSL) for Demat facility. As on 31st March, 2023, 99.80% of the total Equity Capital was held in the demat form with NSDL and CDSL.

Physical and Demat Shares as on 31st March, 2023		
Particulars	**Shares**	**%**
No. of Shares held in dematerialized form in NSDL	17,52,96,089	66.53
No. of Shares held in dematerialized form in CDSL	8,76,58,950	33.27
Physical Shares	5,20,876	0.20
Total	**26,34,75,915**	**100**

g) Reconciliation of Share Capital Audit:

In accordance with Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018 promulgated with effect from October 3, 2018 (erstwhile Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996, Reconciliation of Share Capital of the Company is carried out on a quarterly basis by M/s. Aabid & Co., Practicing Company Secretaries, Mumbai, and the report thereon is submitted to the Stock Exchanges. The report inter alia, confirms that the number of shares issued, listed on the Stock exchanges and that held in demat and physical mode are in agreement with each other to reconcile the total admitted capital with NSDL and CDSL and total issued and listed capital. The Audit is carried out every quarter and the report thereon are submitted to the Stock Exchanges.

h) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity:

There are no GDRs/ADRs/Warrants or any Convertible Instruments pending conversion or any other instrument likely to impact the equity share capital of the Company.

i) Plant location: The Company and its wholly owned subsidiary have below mentioned plants:

FTWZ - Panvel, Maharashtra
181/3, Sai Village, Taluka Panvel,
Dist Raigad, Raigad, Maharashtra – 410 206

FTWZ - Khurja, Uttar Pradesh
Junction Road, Industrial Area, Village - Maujpur, Khurja,
Distt - Bulandshahr, U.P -203 131

j) Shares held in Electronic Form:

The members holding shares in electronic mode should address their correspondence to their respective Depository Participant (DP) regarding change of address, change of bank account mandate and nomination. While opening accounts with Depository Participant (DP), the information furnished by the Shareholders pertaining to their Bank Account, will be used by the Company for payment of dividend. However, members who wish to receive dividend in a Bank Account, other than the one specified while opening account with DP, may notify such DP about change in bank account details. Members are requested to furnish complete details of their respective bank account including MICR code of their respective Bank to their DP.

k) Shares held in Physical Form:

In order to provide protection against fraudulent encashment of dividend warrants, the members are requested to provide, if not provided earlier, their Bank Account numbers, names and address of the Bank, quoting Folio numbers to the Company's Registrar and Transfer Agent to incorporate the same on the dividend warrants.

l) Address for correspondence:

Arshiya Limited
205 & 206 (Part), 2nd Floor, Ceejay House, F-Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400 018.
T: +91 22 4230 5500 F: +91 22 4230 5555
Website: www.arshiyalimited.com
e-Mail:teamsecretarial@arshiyalimited.com

Bigshare Services Pvt Ltd (RTA)
Address: S6 – 2 Pinnacle Business Park, Mahakali Caves Road,
Next to Ahura Centre, Andheri (E) ,
Mumbai 400093
E-mail: info@bigshareonline.com
Phone No: 022-62638205
Website: www.bigshareonline.com

16. Disclosures:

a) Related Party Transactions:

All transactions entered into with the related parties as defined under the Act and Regulation 23 of the Listing Regulations during the financial year under review were in the ordinary course of business on arm's length basis. There were no materially significant related party transactions, during the financial year under review that may have potential conflict with the interest with the Company. Suitable disclosures as required by Indian Accounting Standards (Ind-AS 24) have been made in notes to the financial statements for the financial year ended on 31st March, 2023, forming part of the Annual Report.

The Board has approved policy on Related Party Transaction which can be accessed at the Company website link viz. www.arshiyalimited.com.

b) Compliances by the Company:

The Company has complied with all the requirements of the SEBI Listing Regulations as well as the other Regulations and guidelines of the SEBI save and except as required under Regulation 17(1) of the SEBI Listing Regulations, the Board of Directors of the Company could not appoint a Woman Independent Director during the period from 1st February, 2022 to 6th October, 2022. There were no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority for non-compliance of any matter related to the capital markets during the last three years except fines imposed by the National Stock Exchange of India Limited and BSE Ltd. for non-compliance of Regulation 17(1) of the Listing Regulations during the period from 1st February, 2022 to 6th October, 2022, which were subsequently complied with.

c) Whistle Blower Policy and Access of personnel to the Audit Committee:

The Company has established a mechanism by way of a Whistle Blower Policy as required under Section 177(9) of the Companies Act, 2013 for directors and employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of code of conduct or ethics policy. The mechanism also provides for adequate safeguards against victimization of persons who avail of the mechanism and provide for direct access to the Chairman of the Audit Committee. We affirm that during the financial year under review, no person was denied access to the Audit Committee.

d) Compliance with mandatory / discretionary requirements in Regulation 27 read with Part E of Schedule II of the Listing Regulations:

The Company has complied with all mandatory requirements in Regulation 27 and Schedule V of the Listing Regulations. The status of compliance with non-mandatory recommendations in Regulation 27 read with Part E of Schedule II of the Listing Regulations is provided below:

Shareholders' Rights: As the quarterly and half yearly financial results along with significant events are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.

Modified Opinion in Auditors Report: The Company's financial statements for the year 2022-2023 contain modified opinion which is self-explanatory.

Separate posts of Chairman and Managing Director: The Company at present do not have separate positions of Chairman and Managing Director.

Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

e) Risk management policy:

The Company has laid down procedure to inform Board members about the risk assessment and minimization procedures. The Company has framed the risk assessment and minimization procedure, which is periodically reviewed by the Board and the Policy is available on the website of the Company viz. www.arshiyalimited.com.

f) Policy for determining 'material' subsidiaries:

As on 31st March 2023 the Company has 12 (Twelve) subsidiaries companies, however in terms of the criteria laid down in the Company's Policy on Material Subsidiaries and the SEBI Listing Regulations, as amended, (a) Arshiya Northern FTWZ Limited (Under CIRP), (b) Arshiya Lifestyle Limited, (c) Arshiya Logistics Services Limited, (d) Arshiya Panvel FTWZ Services Private Limited and (e) Arshiya Panvel Logistics Services Private Limited are Material Subsidiaries of the Company. As per the requirements of the Listing Regulations, a policy to determine a material subsidiary has been framed and the same can be accessed on the website of the Company viz. www.arshiyalimited.com.

g) Certificate from Practising Company Secretary:

A certificate received from M/s. Aabid & Co., Company Secretaries, Mumbai is attached in this report stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority and certificate on corporate governance as required under the Listing Regulations are attached and marked as ***Annexure-X1*** and ***X2***.

h) Details of utilization of funds raised through preferential allotment or qualified institutions placement:

The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations during the financial year under review.

i) Recommendations by the Committees:

The Board of Directors of the Company has accepted all recommendations made by its committees during the financial year under review.

j) The total fees for the Financial Year 2022-23 for all services availed by the Company and its subsidiaries, on a consolidated basis, from the statutory auditors and all entities in the network firm/network entity of which the statutory auditor is a part is as under:

Type of Service	₹. In Lakhs (Including GST)
Audit fees	68.23
Other services/certifications	32.00
Reimbursement of expenses	-
Total	**100.23**

k) Disclosure by the Company and its subsidiaries of 'Loans and advances in the nature of loans to firms / companies in which directors are interested by name and amount:

During the financial year under review, the Company and its subsidiaries has given any loans or advances in the nature of loans to any firms / companies in which directors are interested is provided in disclosures as required by Indian Accounting Standards (Ind-AS 24) have been made in notes to the financial statements for the financial year ended on 31st March, 2023, forming part of the Annual Report.

l) Details of material subsidiaries companies pursuant to the requirement of Schedule V of the SEBI LISTING Regulations, 2015 as amended, including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries are as follow:

Name of the material subsidiary	Date of incorporation	Place of incorporation	Name of the statutory auditors	Date of appointment of statutory auditors
Arshiya Lifestyle Limited	26/03/2010	Mumbai, Maharashtra	Walker Chandiok & Co LLP	23/08/2021
Arshiya Logistics Services Limited	21/06/2008	Mumbai, Maharashtra	Walker Chandiok & Co LLP	23/08/2021
Arshiya Northern FTWZ Limited*	16/06/2008	Mumbai, Maharashtra	N A Shah Associates LLP**	26/09/2022
Arshiya Panvel Logistics Services Private Limited	12/03/2019	Mumbai, Maharashtra	Chaturvedi & Shah LLP	24/09/2020
Arshiya Panvel FTWZ Services Private Limited	28/02/2019	Mumbai, Maharashtra	Chaturvedi & Shah LLP	24/09/2020

**Under CIRP*

***The Statutory Auditors have resigned w.e.f. 14th August 2023 and M/s. A R T H A and Associates., has been appointed as Statutory Auditors subject to necessary approvals.*

m) Compliance on Corporate Governance:

During the financial year under review, the Company has complied with the requirements of Corporate Governance Report of sub paras (2) to (10) of Point C of Schedule V of the Listing Regulations.

n) Disclosure of the compliance with Corporate Governance:

The Company has complied with the Regulations 17-20, 21-23, 24A, 25-27 and clauses (b) to (i) and (t) of sub regulation (2) of Regulation 46 of the Listing Regulations, during the financial year under review, except as required under Regulation 17(1) of the Listing Regulations, the Board of Directors of the Company did have one Woman Independent Director as its members during the period from 1st February, 2022 to 6th October, 2022.

o) Website:

The Company's Web-site www.arshiyalimited.com contains a special dedicated section 'Investor Relations' where the information pertaining to the Financial Results, Shareholding Pattern, Press Releases, Corporate Governance, Annual Reports, Listing Information, etc. is available and can be downloaded.

p) Code of Conduct:

The Company has laid down a Code of Conduct for the Members of the Board and the Senior Management in accordance with the Regulation 17(5) of SEBI Listing Regulations and amendments thereto. All the members of the Board and the Senior Management have affirmed compliance with the Code of Conduct as on 31st March, 2023 and a declaration to that effect signed by the Managing Director is attached and marked as ***Annexure-VIII***. The code of conduct has been hosted on the website of the Company at www.arshiyalimited.com

q) Statutory Compliance, Penalties and Structures:

The Company has complied with the requirements of the Stock Exchanges / SEBI / and Statutory Authority on all matters related to capital markets during the last three years. However, pursuant to the email/notice received from NSE & BSE wherein it has been observed that the Company has not complied/delayed compliance(s) under regulation 17 of the SEBI Listing Regulations during the year ended 31st March 2023 and accordingly penalties were levied on the company pursuant to the SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12.

r) CEO/CFO Certification:

A Certificate signed by Mr. Ajay S. Mittal, Managing Director and Mr. Dinesh Kumar Sodani, Chief Financial Officer was placed before the Board of Directors at its meeting held on 30th May 2023 in compliance with Regulation 17(8) of SEBI Listing Regulations is attached and marked as ***Annexure-IX***.

s) Policy to Prevent Sexual Harassment at the workplace:

The Company is committed to create and maintain an atmosphere in which employees can work together, without fear of sexual harassment, exploitation or intimidation. Every employee is made aware that the Company is strongly opposed to sexual harassment and that such behaviour is prohibited both by law and by the Company. To redress complaints of sexual harassment if any, the Company has formed a Complaints Committee. During the year under review, no complaints were filed, hence no complaints were pending as on the end of the financial year in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

t) Disclosure of Demat Suspense Account / Unclaimed Suspense Account and Undelivered Share Certificates as per Schedule V of the Listing Regulations:

The Company does not have any demat Suspense Account/ Unclaimed Suspense Account. The Company does not hold any undelivered share certificates.

u) Disclosures on commodity price risks or Foreign Exchange risk:

Since the Company is not engaged in the field of manufacturing goods, disclosures on commodity price risks or Foreign Exchange risk and commodity hedging activities are not applicable.

v) Disclosure of certain types of agreements binding listed entities

Information required under clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations: No agreements are entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its subsidiary companies, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company.

w) Recommendation by committees.

During FY2022-23 there were no instances where the Board had not accepted any recommendation of any committees of the Board.

x) Disclosure on fund raised.

During FY2022-23, there were no funds raised by the Company through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI Listing Regulations.

Annexure - VII

DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT

As per Regulation 17 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Ajay S Mittal, Chairman & Managing Director of Arshiya Limited do hereby declare that the Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct of the Company during the financial year 2022-23.

For and on Behalf of the Board of Arshiya Limited

Date: 30th May 2023
Place: Mumbai

Ajay S Mittal
Managing Director
DIN: 00226355

Annexure - VIII

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

[Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

A. We have reviewed financial statements and the cash flow statement for the financial year ended on 31st March 2023 and to the best of our knowledge and belief:

i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii. these statements together present a true and fair view of the listed entity affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief no transactions entered by the Company during the year, which are fraudulent, illegal or violative of Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to Financial Reporting and they have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposes to take to rectify, these deficiencies.

D. We have indicated to the Auditors and the Audit Committee:

(i) that there are no significant changes in internal control over financial reporting during the quarter:

(ii) that there are no significant changes in accounting policies during the quarter; subject to changes in the Same and that the same have been disclosed in the Notes to the Financial Statement and

(iii) that there are no instances of significant fraud of which we become aware and the involvement there in, if any, of the Management or an employee having a significant role in the company's internal control system over Financial Reporting.

For and on Behalf of the Board
Arshiya Limited

Dinesh Kumar Sodani
Chief Financial Officer

Ajay S Mittal
Managing Director
DIN: 00226355

Date: 30th May 2023
Place: Mumbai

Annexure-IX-1

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The members of
Arshiya Limited
(CIN: L93000MH1981PLC024747)
205 & 206 (Part), 2nd Floor, Ceejay House,
F-Block, Shiv Sagar Estate, Dr. Annie Besant Road,
Worli, Mumbai, Maharashtra – 400018

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Arshiya Limited having CIN: L93000MH1981PLC024747 and having registered office at 205 & 206 (Part), 2nd Floor, Ceejay House, F-Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai, Maharashtra – 400018, produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below as on the Financial Year ended on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of the directors	DIN	Date of initial appointment/re-appointment in the Company (as appearing on MCA portal)
1.	Mrs. Archana Ajay Mittal	00703208	25th October 2005
2.	Mr. Ajay Shankarlal Mittal	00226355	1st October 2011
3.	Mr. Ashishkumar Bairagra	00049591	07th August 2006
4.	Mr. Rishabh Shah	00694160	31st December 2005
5.	Mr. Ved Prakash	02988628	27th June 2020
6.	Dr. Ms. Priya Kenkare	09758394	7th October 2022
7.	Mr. Kiran Shinde*	09667419	8th July 2022

**Resigned w.e.f. 7th April 2023.*

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

M/s. Aabid & Co.,
Company Secretaries

Date: 7th September 2023
Place: Mumbai

Sd/-
ACS Greeshma Vinod Kerkar
COP: 26795 & ACS: 82283
Partner
UDIN: A022283E000964950

Annexure-IX-2

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

[Pursuant to the provisions of Regulation 34(3) read with Part E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The members of
Arshiya Limited
(CIN: L93000MH1981PLC024747)
205 & 206 (Part), 2nd Floor, Ceejay House,
F-Block, Shiv Sagar Estate, Dr. Annie Besant Road,
Worli, Mumbai, Maharashtra – 400018

I have examined the compliance of conditions of Corporate Governance by Arshiya Limited ("the Company") for the financial year ended 31st March, 2023 as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub regulation (2) of Regulation 46 and paras C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility

The compliance of the conditions contained in the Corporate Governance provisions is responsibility of the Management. This responsibility includes the designing, implementing, and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance provisions as stipulated in the Listing Regulations including the preparation and maintenance of all relevant supporting records and documents.

Auditor's Responsibility

My responsibility was limited to examining the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. I have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance provisions.

Opinion

In my opinion and to the best of my information and according to the explanations given to us, and the representations made by the directors and the Management and considering the relaxations granted by the Securities and Exchange Board of India, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the financial year ended 31st March, 2023 except as required under Regulation 17(1) of the Listing Regulations, the Board of Directors of the Company did not have appointed one Woman Independent Director as its members during the period from 1st February, 2022 to 6th October, 2022, which were subsequently complied with.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the

M/s. Aabid & Co.,
Company Secretaries

Date: 7th September 2023
Place: Mumbai

Sd/-
ACS Greeshma Vinod Kerkar
COP: 26795 & ACS: 82283
Partner
UDIN: A022283E000965280

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To
The Members of Arshiya Limited

Report on the Audit of Ind AS Standalone Financial Statements for the year ended 31st March, 2023

Disclaimer of Opinion

1) We were engaged to audit the accompanying Ind AS standalone financial statements of **Arshiya Limited** ("the Company"), which comprise the balance sheet as at 31st March, 2023, the statement of profit and loss, the cash flow statement for the year then ended, the statement of changes in equity and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS standalone financial statements").

2) We do not express an opinion on the accompanying Ind AS standalone financial statements of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Ind AS standalone financial statements.

Basis for Disclaimer of Opinion

3) **With respect to settlement arrangement with lenders**

a) Further to what is stated in note no.43 of the Ind AS standalone financial statements, during the earlier years the Company had received settlement of debt letter / consent letters in respect of some of the lenders. As per the agreed settlement the total debt of the said lenders (including outstanding interest) of Rs. 102,092.00 lakhs was agreed to be settled at Rs. 43,951.41 lakhs. The Company had already given accounting effects of such settlement in the Ind AS standalone financial statements in the respective earlier year and recognized a gain of Rs. 52,942.51 lakhs as an exceptional item. The company has not fulfilled its obligations as per the agreed settlement. However, the liability in the books has not been restated to the original value and accordingly the liabilities are understated to the extent of Rs. 86,948.45 lakhs as on 31st March, 2023. The interest on such borrowings has been under provided by Rs. 12,478.43 lakhs for year ended 31st March, 2023 (cumulative unprovided interest of Rs. 34,005.94 lakhs), as interest is accounted on the settlement amount as against the pre-settlement amount. The penal interest, default interest on the said defaults with few lenders are not ascertained /accounted.

This accounting treatment as stated above is not in compliance with Ind AS 109 "Financial Instruments" and Ind AS 23 "Borrowing Cost". Had the Company reversed the accounting for the debt settlement, the impact thereon would have been as mentioned above and balance of other equity as on 31st March, 2023 would have been lower by Rs. 86,948.45 lakhs and the total equity would have been negative Rs. 13,661.66 lakhs as against reported positive figure of Rs. 73,286.79 lakhs. As stated in notes management is confident of negotiating with the lenders and settle the liability at a lower value and no additional provision needs to be made, in absence of minutes of meeting with lenders or any written acceptance from the lender we are unable to concur with the management view.

b) Further, as stated in note no. 72 of the Ind AS standalone financial statements for the year ended 31st March, 2023 and para 3 (a) above, balance confirmations of total borrowings including interest accrued (including current maturities of long term borrowings), have not been received. On account of non-availability of balance confirmations, the difference between the claim by the lenders vis-à-vis the liability as per books cannot be ascertained.

c) We draw attention to the note no.41 of the Ind AS standalone financial statements, regarding one of the Non-Banking Financial Company (NBFC) which was lender to the Company, had assigned its debt to Edelweiss Asset Reconstruction Company (EARC). Pending execution of restructuring agreement for assignment of its debt to EARC, the Company has continued to provide interest on loan aggregating to Rs. 2,000.00 lakhs for the year ended 31st March, 2023 in line with major terms negotiated with EARC in case of other agreements. The management is of the view that it would be able to successfully negotiate with the lender to whom the debt is assigned.

In view of the management, no additional interest including penal interest needs to be provided for the above-said debt presently. Acceptance of the lenders to these terms is dependent on future negotiations and hence uncertain. In the absence of clarity and pending negotiations, we are unable to opine whether the liability as per the books and provision for interest are appropriate or not.

Considering the factors stated in para 3(a), 3 (b) & 3 (c) above and the ongoing negotiations with the lenders for revised settlement, we are unable to obtain sufficient appropriate audit evidence about these borrowings (including interest) outstanding as at 31st March, 2023 as well as the finance cost for the year ended 31st March, 2023. Consequently, we are unable to determine the quantum of adjustment (in addition to the amount stated in para 3 (a) above) including for difference on account of rate of interest, compounding, penal interest, charges, etc. and consequential impacts in the Ind AS standalone financial statements of the Company.

4) Non-current investment & loans given to wholly owned subsidiary Arshiya Northern FTWZ Limited (ANFTWZ) aggregating to Rs 57,440.51 lakhs

We draw attention to note no. 54(a) to the Ind AS standalone financial statements, regarding the Company's non-current investment in Arshiya Northern FTWZ Limited (ANFTWZ) and its loans amounting to Rs. 44,625.29 lakhs and Rs. 12,815.22 lakhs, respectively. The said wholly owned subsidiary has been incurring losses and its net worth is fully eroded. During the previous quarter interim stay order on Corporate Insolvency Resolution Process (CIRP) proceedings was vacated and an interim resolution professional has been appointed. On account of CIRP proceedings the earlier asset monetization plan by way of arrangement with one party for sale of asset may no longer be valid. Considering the same the recoverability of investment and loans is now dependent upon the outcome of CIRP and resolution plan which is yet to be finalized.

The above matters are indicators of impairment and in our view provision for impairment of investment and expected credit loss on loans should have been made. However, the management had not undertaken specific exercise to ascertain the need and quantum of impairment of investment and credit impairment assessment in respect of loans.

In view of the impairment assessment not conducted by the management and the uncertainty as regards the outcome of the CIRP, we are unable to comment on the recoverability of the said investment and loans aggregating to Rs 57,480.50 lakhs and consequently compliance with Ind AS 36 on Impairment of Assets and Ind AS 109 on Financial Instruments.

5) Non-recognition of liability in respect of financial guarantee at fair value in accordance with Ind AS 109 on Financial Instruments

We draw attention to the note nos. 54(a) and 48 to the Ind AS standalone financial statements, regarding corporate guarantees given to subsidiary company and erstwhile subsidiary companies with principal debt obligations aggregating to Rs.122,350.00 lakhs (excluding interest, penal interest etc.). The said companies had defaulted in repayment of dues to lenders and in case of subsidiary (ANFTWZ) the lenders had invoked the corporate guarantee given by the Company.

In the opinion of the management, the value of primary / underlying assets provided as securities by the borrowing companies is greater than the outstanding loans and hence in view of the management no additional liability is expected to devolve on the Company. The Company has not carried out a fair valuation of the guarantee in accordance with Ind AS 109 as on 31st March, 2023 leading to non-compliance with the said Ind AS.

In absence of fair value report of the guarantees given or fair value of assets provided as security by the principal borrower, we are unable to comment on quantum of liability which is expected to devolve on the Company as a corporate guarantor and fair value of liability as required to be accounted in accordance with Ind AS 109.

6) Impairment testing of Property, Plant & Equipment (PPE) & assessment of Net Realizable Value (NRV) of inventory not carried out by the management

The Company has Property, Plant & Equipment with gross block aggregating to Rs. 57,690.91 lakhs (written down value aggregating to Rs. 51,133.28 lakhs) and inventory of Rs. 12,537.34 lakhs. Continuing losses and lower capacity utilization are indicators for need to carry out impairment test as required Ind AS 36. However, the management has not complied with this requirement of Ind AS 36 i.e. Impairment test has not been carried out in respect of PPE and also has not assessed the net realizable value of the inventory as required by Ind AS 2 on Inventories.

The value in use / NRV is dependent on various factors like settlement with lenders, monetization of assets and infusion of funds which are uncertain and not fully in control of the management of the Company.

As stated above and in absence of the impairment test / NRV test it is not possible for us to provide assertion on the carrying value of the Property, Plant & Equipment and inventory as at 31st March, 2023 and consequently compliance with Ind AS 36 and Ind AS 2.

7) Trade receivable from wholly owned subsidiary Arshiya Data Centre Private Limited of Rs. 13,064.16 lakhs

We draw attention to note no. 76 of the Ind AS standalone financial statements regarding recoverability of trade receivables amounting to Rs 13,064.16 lakhs as at 31st March, 2023 from one of the wholly owned subsidiary company which are overdue and for which further extension of credit period was granted by the Company. The recoverability is dependent upon the value of the underlying assets of the subsidiary. The Management is of the view that the said amounts are good and fully recoverable as on 31st March, 2023, and accordingly, no provision for time value of money and expected credit loss has been made. However, management has not provided sufficient and appropriate evidence as regards recoverability of the said receivable and hence we are unable to form an opinion on the recoverability of dues and consequentially on compliance with Ind AS 109 "Financial Instruments".

As a result of the matters described in para 3 to 7 above, considering the facts stated in the note as regards material uncertainty relating to going concern and matters described in Emphasis of Matter paragraph we are unable to obtain sufficient and appropriate audit evidence to provide a basis of our opinion on the Ind AS standalone financial statements for the year ended 31st March, 2023.

Matters listed in para 3(a) and 3(b) above, was covered under qualification and which are listed in para 3(c), 4, 5 and 7 was covered under emphasis of matters given by the erstwhile statutory auditor in statutory audit report for the year ended 31st March 2022, dated 30th May, 2022.

8) Material Uncertainty related to Going Concern

As stated note no. 47 of the Ind AS standalone financial statements, the Company is unable to pay its dues to operational and financial creditors, the Company has defaulted in repayment of dues to lenders and lenders have started recovery proceedings, the Company has given guarantees for loan taken by the subsidiary out of which guarantees are invoked by lenders, some of the lenders have even called back their loans, lenders have classified Company's borrowing as NPA, current liabilities exceeded its current assets of the Company, unpaid statutory dues of the Company, operational and financial creditors have applied before National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016. The Company also received notice under SARFAESI from EARC (Edelweiss Asset Reconstruction Company) Trust for certain borrowings, to discharge its liabilities failing which they will realize the amount by enforcing securities on secured assets.

These matters (including other matters as stated out in the notes), indicate that a material uncertainty exists that may cast significant doubt about its ability to continue as a going concern. The management as a developer of the business is confident that monetization will happen periodically and staggered but significant payments will be received to streamline the cash flows. The said assumption of going concern is dependent upon the Company's ability to monetize its assets in timely manner, successful negotiation with its lenders for settlement of debt obligations and its ability to generate cashflows to meet its obligations. Pending above, the management has prepared the Ind AS standalone financial statements on going concern basis.

The matters enumerated in para 3 to 8 collectively are the basis for providing disclaimer of opinion.

Emphasis of Matters

i. We draw attention to note no. 48 to the Ind AS standalone financial statements, one of the lenders of the Company, had preferred an appeal in "Hon'ble National Company Law Appellate Tribunal", ("NCLAT"). against the order of Hon'ble National Company Law Tribunal, Mumbai sanctioning the Scheme of Arrangement between the Company and NCR Rail Infrastructure Limited. NCLAT ordered to maintain the status quo prevailing as on that date, vide its order dated 4th March, 2022. According to the legal opinion obtained by the Company and in view of the Management, it can prepare the financial statements/results of the Company as per the sanctioned scheme of arrangement.

ii. Attention is invited to the note no. 39 of the Ind AS standalone financial statements regarding advance given to a related party Rs. 4,487.43 lakhs which is subsequently adjusted against the consideration for purchase of land from holding company of the said related party. The definitive agreements with respect to the same are in the process of being finalised. The said transaction is subject to lenders approvals of the seller and is expected to be completed by 31st December, 2023.

iii. The internal audit for the year ended 31st March, 2023 is under process and report of the internal auditor is not produced before us for our comments.

iv. The Company is a party to various legal proceedings in normal course of business (including petition filed before NCLT under Insolvency and Bankruptcy Code) and) and we have informed and represented that the inhouse legal team does not expect the outcome of these proceedings to have any adverse effect on its financial conditions, results of the operations or cash flow

v. We draw attention to note no. 72 of the Ind AS standalone financial statements, regarding the balance confirmations of trade receivables and trade payables. During the course of preparation of Ind AS standalone financial statements, emails / letters have been sent to various parties by the Company with a request to confirm their balances directly to us out of which only few parties have responded. The management is confident and is of the view that there will not be any material variation in the said balances.

vi. Other non-current assets of the Ind AS standalone financial statements, refunds aggregating to Rs. 1,876.65 lakhs are receivable in respect of VAT for which appeals are pending with respective Appellate Authorities. The management is of the view that the refunds are considered good for recovery on account of refunds being received by other SEZ developers on similar grounds (Refer note no. 50). However, the said appeals have been rejected by the authorities on multiple levels, but since further appeal is preferred before higher appellate authorities including High Court, the management expects favorable outcome.

Our conclusion is not modified in respect of the above matters.

Observations made by us in above para i was given by the erstwhile statutory auditor in their statutory audit report for the year ended 31st March, 2022 dated 30th May, 2022.

Management's responsibility for the Ind AS Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Ind AS Standalone Financial Statements

Our responsibility is to conduct an audit of the Company's Financial statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matters described in the basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on these Ind AS standalone financial statements.

We are independent of the Company in accordance with the ethical requirements in accordance with the requirements of the code of ethics issued by ICAI and the ethical requirements as prescribed under the laws and regulations applicable to the Company.

Other Matter

The figures for the year ended 31st March, 2022 are based on the previously issued annual Ind AS financial statements that were audited by the erstwhile auditors whose report dated 30th May, 2022, expressed a modified opinion.

Our opinion is not modified with respect to the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) As described in the Basis for Disclaimer of Opinion paragraph, we sought but were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

   (b) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

   (c) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the balance sheet, statement of profit and loss including other comprehensive income, statement of changes in equity and the statement of cashflow dealt with by this report are in agreement with the books of account.

   (d) Due to the possible effects of the matter described in the Basis of Disclaimer of Opinion paragraph, we are unable to state whether the aforesaid Ind AS standalone financial statements comply with the Accounting Standards under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) The matters described in paragraphs above under the Basis for Disclaimer of Opinion para, Material Uncertainty Related to Going Concern and Emphasis of Matter, in our opinion, would have an adverse effect on the functioning of the Company.

(f) On the basis of the written representations received from the directors as on 31st March, 2023, none of the directors are disqualified as on 31st March, 2023, from being appointed as a director in terms of Section 164(2) of the Act.

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

(h) The reservation relating to the maintenance of accounts and other matters connected therewith is as stated in the Basis for Disclaimer of Opinion paragraph above.

(i) In our opinion and to the best of our information and according to the explanations given to us, no remuneration is paid by the Company to its directors during the year, hence the provisions of Section 197 of the Act are not applicable.

(j) With respect to Other Matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:

i. The Company has disclosed the pending litigations and disputes on its financial position in notes 69, 70, and 71 to the standalone Ind AS financial statements. Further as per the note no. 38 the Company is a party to various litigation proceeding in normal course of business. As stated in para (iv) of Emphasis of Matters paragraph, the Company does not expect the outcome of these proceedings to have any adverse effect on its financial conditions, results of the operations or cash flow. For the purpose of said reporting, we have relied upon the representation from the in-house legal team.

ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The management has represented to us that,

a. to the best of its knowledge and belief, as disclosed in the notes to the Ind AS standalone financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. to the best of its knowledge and belief, as disclosed in the notes to the Ind AS standalone financial statements no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

v. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

vi. The Company has not declared or paid dividend during the year. Hence, our comments on compliance with Section

123 of the Companies Act, 2013 does not arise.

vii. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1st April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.

For N. A. Shah Associates LLP
Chartered Accountants
Firm's Registration No.: 116560W / W100149

Milan Mody
Partner
Membership No.: 103286
UDIN: 23103286BGPZNB1339

Place: Mumbai
Date: 30th May, 2023

i. In respect of its Property, Plant and Equipment and Intangible Assets: -

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of the property, plant and equipment including right-of-use (ROU) assets on the basis of available information except in respect of furniture and fixture, office equipment and computers in respect of which quantitative details and locations are in the process of being updated.

(B) The Company has maintained proper records showing full particulars of intangible assets on the basis of available information.

(b) The Company has not physically verified the property, plant and equipment at reasonable intervals during the year under audit. Since property, plant and equipment are not verified, we are unable to comment on the material discrepancies under clause (i) (b) of paragraph 3 of the Order.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of immovable property amounting to Rs 30,029.88 lakhs (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) is held in the name of the Company has not been verified by us since the original documents are deposited with security trustee of lenders against credit facility granted by them. The confirmations from the security trustee as regards original documents lying with them have not been received. We have verified extracts digital satbara downloaded from the government website and provided to us by the company.

(d) According to information and explanations given to us and books of accounts and records examined by us, Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and representation given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

ii.

(a) The Company is engaged in the business and development of Free Trade and Warehousing Zone (FTWZ), the Company has inventory amounting to Rs 12,537.34 lakhs represented by freehold land for the business purpose. As explained to us, the Company has not physically verified the freehold land, and hence, we are unable to comment on the material discrepancies and reasonableness on frequency of physical verification as required under clause (ii) (a) of paragraph 3 of the Order.

(b) As per the information and explanations given to us and books of accounts and records examined by us, no working capital limits have been sanctioned from banks or financial institutions on the basis of security of current assets. Therefore, clause (ii) (b) of Paragraph 3 of the Order is not applicable to the Company.

iii. With respect to investments made in or any guarantee or security provided or any loans or advances in the nature of loans, secured or unsecured, granted during the year by the Company to companies, firms, Limited Liability Partnerships or any other parties:

(a) As per the information and explanations given to us and books of accounts and records examined by us, during the year the Company has not provided loans or not provided advances in the nature of loans, or not stood guarantee, or not provided security to any other entity except for the following: -

(Rs in lakh)

Particulars	Guarantees	Loans
Aggregate amount granted / provided during the year		
- Subsidiaries	-	2,205.63
- Others (includes erstwhile subsidiaries)	-	3,347.17
Balance outstanding as at balance sheet date in respect of above cases		
- Subsidiaries	45,732.55	20,765.49
- Others (includes erstwhile subsidiary)	93,900.00	-

(b) In our opinion and according to information and explanations given to us and on the basis of our audit procedures, the investments made in earlier years, guarantee provided to subsidiaries and erstwhile subsidiaries in earlier years, security given and the terms and conditions of all loans and advances in the nature of loans and guarantee provided are, *prima facie*, not prejudicial to Company's interest.

(c) According to the books of accounts and records examined by us in respect of the loans and advances in the nature of loans given to subsidiaries and erstwhile subsidiary, schedule of repayment of principal and interest has been stipulated (bullet repayment at year-end). The repayments or receipts of these loans and interest thereon as applicable are not regular. Loans given to subsidiaries are interest free.

(d) According to the books of accounts and records examined by us in respect of the loans, there is no amount overdue for more than ninety days as on 31st March, 2023, as the repayment dates have been extended / renewed by the management. Refer point (e) below.

(e) In our opinion and according to information and explanations given and the books of accounts and records examined by us, loans granted which have fallen due during the year have been renewed and/ or extended. Further, no fresh loans have been granted to settle the overdues of existing loans given to the same parties.

Particulars	Aggregate amount of overdues of existing loans renewed or extended (Rs. in lakhs)	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
Subsidiaries	23,249.91	94.30%
Other (includes erstwhile subsidiary)	1,404.33	5.70%

(f) In our opinion and according to Information and explanation given and records examined by us, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment.

iv. In our opinion and according to the information and explanations provided to us, provisions of section 185 and 186 of the Companies Act 2013, in respect of loans, investments, guarantees and security, as applicable, have been complied with. Further, the provisions of section 186 [except for sub-section (1)] of the Act are not applicable to the Company as it is engaged in the business of providing infrastructural facilities.

v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of services rendered. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. According to the records of the company and information and explanations given to us, the Company is not regular, in depositing undisputed statutory dues, including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues to the appropriate authorities, as applicable, during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2023 for a period of more than six months from the date they became payable except as mentioned below: -

Name of the Statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Due date	Date of payment
Income Tax Act,1961	TDS	299.28	Current and previous financial years	Various due dates of current and previous financial years	Not paid yet
	Interest on TDS	730.29			

(a) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) which have not been deposited with the appropriate authority on account of any dispute except as mentioned below: -

Name of the Statute	Nature of Dues	Amount Disputed (Net of TDS and Advance tax Paid)	Period to which Dispute Relates	Forum where Dispute is Pending
Income Tax Act, 1961	Income Tax	8,444.43	Assessment years 2009-2010 to 2016-2017	Income Tax Appellate Tribunal & Bombay High Court
Service Tax Act, 1994	Service Tax	62.68	Financial Year 2013-2014	Central Excise and Service Tax Appellate Tribunal (CESTAT)
Local Body Tax	Property Tax	875.49	Financial Years 2012-13 to 2022-23	Bombay High Court
	Total	**9,382.60**		

viii. According to the information and explanations given to us and representation given to us by the management, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessment under the Income Tax Act, 1961 as income during the year. Accordingly, the provision of clause 3(viii) of the Order is not applicable to the Company.

ix.

(a) In our opinion and according to the information and explanations given and books of accounts and records examined by us, the Company has defaulted in repayment of loans, other borrowings and in the payment of interest thereon to following lenders:

Defaults in respect of bank and financial institutions are as under:

Nature of borrowing	Name of Lenders	Amount not paid on due date (Rs.in Lakh)*	Whether principal or interest	No. of days delay or unpaid (in days)
Secured Loan – Others	Edelweiss Asset Reconstruction Company Limited-SC 162	2,650.00	Principal	1,735 days
		2,055.00	Interest	Upto 1,735 days
Secured Term Loan	IDFC FIRST Bank Limited	3,674.30	Principal	1,094 days
		3,489.13	Interest	Upto 1,094
	Axis Bank	971.41	Principal	274 days

		89.79	Interest	Upto 274 days
Short Term Priority Loans	Edelweiss Asset Reconstruction Company Limited	3,722.18	Principal	1,735 days
		1,160.31	Interest	Upto 1,735 days
Secured Loan	SREI Equipment Finance Ltd	200.00	Principal	218 days
		28.48	Interest	Upto 365 days
Secured Loan – Others	Edelweiss Asset Reconstruction Company Limited -various trust	38,486.00	Principal	516 days
		6,624.03	Interest	Upto 516 days
		1,389.70	Interest	Upto 1,408

* the figures reported above are without considering the impact as regards matters stated in basis for Disclaimer of Opinion para 3(a). Also does not include loans where restructuring terms were not finalised amounting to Rs 4,100.00 lakhs (excluding interest outstanding of Rs 3,676.91 lakhs) refer note no. 21.2(5) and 41 of the financial statements.

(b) In our opinion, and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanations given and records examined by us, the Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that, *prima facie*, Rs. 2,203.15 lakh raised on short-term basis have been used during the year for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any associates or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not have any joint ventures or associate companies.

x.

(a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and hence clause (x)(a) of paragraph 3 of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year under audit.

xi.

(a) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year. Also see note no. 73.

(b) According to the information and explanations given to us, No report under sub-section 12 of section 143 of the Act has been filed by us or by any other auditor in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the management, there are no whistleblower complaints received by the Company during the year.

xii. In our opinion, Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

xiv. In our opinion the Company is required to have an internal audit system under Section 138 of the Act. Based on information and explanations provided to us the internal audit is under process as at the date of issue of this report and hence the report of the internal auditor is not produced before us for our review. Accordingly, we are unable to comment on the adequacy of internal audit for the size and nature of Company's business.

xv. According to the information and explanations provided by the management, the Company has not entered into any non-cash transaction with directors or persons connected with him as referred to in Section 192 of the Act.

xvi.

(a) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

(b) In our opinion, and according to the information and explanations provided to us and on the basis of our audit procedures, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year as per the Reserve bank of India Act 1934.

(c) In our opinion, and according to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) In our opinion, and according to the information and explanations provided to us, the Group has does not have any Core Investment Company (CIC).

xvii. According to the information and explanations given to us, the Company has incurred cash losses in the financial year amounting to Rs. 104,260.01 lakhs as relating to non-accounting as regards matters elaborated in the Basis for Disclaimer of Opinion paragraph to the extent effect of these matters can be quantified. During the immediately preceding financial year the Company incurred cash losses of Rs. 15,520.28 lakhs as adjusted for the effect of qualification given by erstwhile auditor is quantified.

xviii. During the year, there has been change in auditors on account of completion of term. This change is not considered to be a resignation and therefore, the clause (xviii) of paragraph 3 of the Order is not applicable. Further, there were no issues, objections or observations which were raised by the erstwhile auditors.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting and the various factors specified under paragraph "Material uncertainty related to Going Concern" read with "Disclaimer of Opinion" as reported in our audit report above, which indicates and causes us to believe that material uncertainty exists that may cast significant doubt about its ability to continue as a going concern and its capability of meeting all of its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. The management as a developer of the business is confident that monetization will happen periodically and staggered but significant payments will be received to streamline the cash flows. The said assumption of going concern is dependent upon the Company's ability to monetize its assets in timely manner, successful negotiation with its lenders for settlement of debt obligations and its ability to generate cashflows to meet its obligations.

xx. According to the information and explanations given to us and on the basis of our audit procedures provision of section 135 of the Act are not applicable to the Company.

For N. A. Shah Associates LLP
Chartered Accountants
Firm's Registration No.: 116560W / W100149

Milan Mody
Partner
Membership No.: 103286
UDIN: 23103286BGPZNB1339

Place: Mumbai
Date: 30th May 2023

Report on Internal Financial Control under Section 143(3)(i) of the Companies Act, 2013 ("the Act")

Disclaimer of Opinion

We were engaged to audit the internal financial controls over financial reporting of **Arshiya Limited** ("the Company") as of 31st March, 2023 in conjunction with our audit of the Ind AS standalone financial statements of the Company for the year ended on that date.

Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph above, we are unable to obtain sufficient and appropriate evidence to provide a basis for our opinion on whether the Company has adequate internal financial controls over financial reporting with reference to these Ind AS standalone financial statements as at 31st March, 2023. We have considered these matter while issuing disclaimer of opinion report.

The erstwhile statutory auditors had given qualified opinion in their statutory audit report dated 30th May, 2022 for the year ended 31st March, 2022.

Basis for Disclaimer of Opinion

Due to the possible effects of the various matters described in the Basis for Disclaimer of Opinion paragraph in our main audit report, Emphasis of Matters and matters specified in CARO for physical verification of fixed assets, inventory, internal audit, we are unable to comment on the effectiveness of the internal financial controls over financial reporting with reference to these Ind AS standalone financial statements as at 31st March, 2023 and whether such internal financial controls were operating effectively. Accordingly, we do not express an opinion on the internal financial controls over financial reporting with reference to the Ind AS standalone financial statements of the Company.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Because of the matters described in Basis for Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide basis for an audit opinion on internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of erstwhile management and suspended directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For N. A. Shah Associates LLP
Chartered Accountants
Firm's Registration No.: 116560W / W100149

Milan Mody
Partner
Membership No.: 103286
UDIN: 23103286BGPZNB1339

Place: Mumbai
Date: 30th May, 2023

Balance Sheet as at 31st March, 2023

(Rs. in Lakh)

Particulars	Notes	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	5 (a)	51,133.28	61,491.60
(b) Right of Use Assets	5 (b)	462.23	612.56
(c) Intangible Assets	6	30.12	91.65
(d) Financial Assets			
(i) Investments	7	45,422.95	50,906.36
(ii) Loans	8	606.98	4,380.56
(iii) Other Financial Assets	9	51.07	96.09
(e) Other Non-Current Assets	10	5,036.28	2,087.09
		1,02,742.91	1,19,665.91
Current assets			
(a) Inventories	11	12,537.34	12,537.34
(b) Financial Assets			
(i) Trade Receivables	12	13,064.16	13,555.59
(ii) Cash and Cash Equivalents	13	8.80	20.29
(iii) Bank Balances Other than (ii) above	14	23.03	15.03
(iv) Loans	15	20,158.51	20,273.68
(v) Other Financial Assets	16	13,450.22	4,709.53
(c) Other Current Assets	17	204.00	180.44
		59,446.06	51,291.90
(d) Assets held for sale	18	5.00	5.00
Total Assets		1,62,193.97	1,70,962.81
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	19	5,269.52	5,245.52
(b) Other Equity	20	68,017.27	85,955.28
		73,286.79	91,200.80
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	-	18,382.88
(ii) Lease Liabilities	22	398.11	496.70
(iii) Other Financial Liabilities	23	88.01	168.29
(b) Provisions	24	72.44	81.57
		558.56	19,129.44
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	60,028.84	41,460.66
(ii) Trade Payables	26		
Total Outstanding Dues of Micro and Small Enterprises		237.74	269.95
Total Outstanding Dues of Creditors Other than Micro and Small		972.55	1,099.02
(iii) Lease Liabilities	27	144.90	165.91
(iv) Other Financial Liabilities	28	23,865.78	12,595.04
(b) Other Current Liabilities	29	3,092.77	5,035.17
(c) Provisions	30	6.04	6.82
		88,348.62	60,632.57
Total Equity and Liabilities		1,62,193.97	1,70,962.81

Notes to the financial statements 1 to 79

As per our report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration Number 116560W/W100149

For and on behalf of the Board of Directors of
Arshiya Limited

Milan Mody
Partner
Membership Number: 103286

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Place: Mumbai
Date: 30th May, 2023

Dinesh Kumar Sodani
Chief Financial Officer

Navnit Choudhary
VP - Commercial

Ajit Dabholkar
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2023

(Rs. in Lakh)

Particulars	Notes	Year Ended 31st March, 2023	Year Ended 31st March, 2022
INCOME			
Revenue from operations	31	2,619.48	6,193.34
Other income	32	1,524.17	818.96
Total Income (I)		4,143.65	7,012.30
EXPENSES			
Employee benefits expenses	33	1,273.27	1,299.13
Finance costs	34	11,434.00	8,646.77
Depreciation and amortization expenses	35	836.62	1,032.54
Impairment of deemed investment in subsidiaries	53	5,483.40	-
Other expenses	36	3,264.54	3,121.09
Total Expenses (II)		22,291.83	14,099.53
(Loss) before exceptional items and tax (I-II)		(18,148.18)	(7,087.23)
Exceptional Items (net)	37	-	47,244.27
(Loss) / Profit before tax		(18,148.18)	40,157.04
Tax expense:	61		
Current tax		-	-
Deferred tax		-	-
(Loss) / Profit for the year		(18,148.18)	40,157.04
OTHER COMPREHENSIVE INCOME			
Item not to be reclassified to profit and loss:			
Remeasurement of gains/(losses) on defined benefit plans		4.44	(6.65)
Other Comprehensive Income for the year		4.44	(6.65)
Total Comprehensive Income for the year		(18,143.74)	40,150.39
Earning per equity share (face value of Rs. 2 each)	57		
Basic (in Rs.)		(6.91)	15.31
Diluted (in Rs.)		(6.91)	15.17

Notes to the financial statements 1 to 79

As per our report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration Number 116560W/W100149

Milan Mody
Partner
Membership Number: 103286

Place: Mumbai
Date: 30th May, 2023

For and on behalf of the Board of Directors of Arshiya Limited

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Dinesh Kumar Sodani
Chief Financial Officer

Navnit Choudhary
VP - Commercial

Ajit Dabholkar
Company Secretary

Statement of changes in Equity for the year ended 31st March, 2023

A. Equity Share Capital (Refer Note No. 19)

Particulars	Rs. in Lakh
Equity Shares of Rs. 2 each issued, subscribed and paid up	
As at 1st April, 2021	5,245.52
Issue of Equity Shares	-
As at 31st March, 2022	5,245.52
Issue of Equity Shares	24.00
As at 31st March, 2023	5,269.52

B. Other Equity (Refer Note No. 20)

(Rs. in Lakh)

Particulars	Other Reserves	Reserve and Surplus				
	Amalgamation Reserve	Securities Premium Account	Employee Stock Options Reserve	General Reserve	Retained Earnings	Total
Balances as on 1st April, 2021	124.80	60,703.59	-	940.18	(16,311.36)	45,457.21
Profit for the year	-	-	-	-	40,157.04	40,157.04
Other comprehensive income	-	-	-	-	(6.65)	(6.65)
Total comprehensive income for the year	-	-	-	-	40,150.39	40,150.39
Share based payment (Refer Note No. 56)	-	-	347.66	-	-	347.66
Balances as at 31st March, 2022	124.80	60,703.59	347.66	940.18	23,839.03	85,955.28
(Loss) for the year	-	-	-	-	(18,148.18)	(18,148.18)
Other comprehensive income	-	-	-	-	4.44	4.44
Total comprehensive income for the year	-	-	-	-	(18,143.74)	(18,143.74)
Share based payment (Refer Note No. 56)	-	-	205.72	-	-	205.72
On issue of equity shares	-	362.16	(362.16)	-	-	-
Balances as at 31st March, 2023	124.80	61,065.75	191.22	940.18	5,695.29	68,017.27

Notes to the financial statements 1 to 79

As per our report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration Number 116560W/W100149

For and on behalf of the Board of Directors of Arshiya Limited

Milan Mody
Partner
Membership Number: 103286

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Dinesh Kumar Sodani
Chief Financial Officer

Place: Mumbai
Date: 30th May, 2023

Navnit Choudhary
VP - Commercial

Ajit Dabholkar
Company Secretary

Cash Flow Statement for the year ended 31st March, 2023

(Rs. in Lakh)

Particulars		Year Ended 31st March, 2023	Year Ended 31st March, 2022
Cash flow from operating activities			
(Loss) / Profit before tax		(18,148.18)	40,157.04
Adjustments for			
Sundry balances written off/ back (net)		(263.72)	(4.50)
Discarding/written off of Intangible assets under development		-	60.00
Fair value adjustment in respect of capital advances		1,442.58	-
Profit on disposal of Property, plant and equipment (net)		(564.89)	-
Bad debts		597.33	1,481.04
Provision for doubtful debts/Expected credit loss		299.56	28.58
(Gain) on settlement on debts (net)		-	(47,244.27)
Depreciation and amortization expense		836.62	1,032.54
Finance costs		11,434.00	8,646.77
Unwinding interest income on loan to subsidiaries		(357.15)	(261.15)
Interest income on others		(174.19)	(50.23)
Interest income on tax refund		(1.23)	(17.70)
Financial guarantees income		(123.65)	(458.86)
Financial assets carried at amortised cost		(3.17)	(1.57)
Loss on disposal of investment in subsidiary		-	1,040.89
Impairment of deemed investment in subsidiaries		5,483.40	-
Share based payment		26.35	86.92
Foreign exchange difference (net)		(32.41)	14.55
Operating profit before working capital changes		**451.25**	**4,510.05**
Adjustments for			
Decrease in financial and other assets		2,483.00	8,407.39
(Decrease) in financial and other liabilities		(518.46)	(402.82)
Cash generated from operations		**2,415.79**	**12,514.62**
Direct taxes paid (net of refunds)		96.89	197.17
Net cash flow from operating activities	**(A)**	**2,512.68**	**12,711.79**
Cash flow from investing activities			
Purchase of property, plant and equipments		(1.55)	(59.55)
Capital advance		(4,487.43)	-
Sale of Investment in subsidiaries		-	101.00
Loans given to subsidiaries & related party (net)		2,901.35	(3,247.99)
Net cash flow from investing activities	**(B)**	**(1,587.63)**	**(3,206.54)**
Cash flow from financing activities			
Issue of Equity shares		24.00	-
Repayment of non-current borrowings		(502.76)	(2.40)
Short-term borrowings (Net)		592.74	(5,137.67)
Lease liability paid (including interest Rs. 78.09 lakh, previous year Rs. 59.14 lakh)		(197.69)	(101.57)
Interest paid		(852.83)	(4,281.36)
Net cash flow from financing activities	**(C)**	**(936.54)**	**(9,523.00)**
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)		**(11.49)**	**(17.75)**
Cash and cash equivalents at the beginning of the year		20.29	38.04
Cash and cash equivalents at the end of the year (Refer Note No.13)		**8.80**	**20.29**

Cash flow notes:

1 Change in liabilities arises from financing activities

(Rs. in Lakh)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
As at 1st April	59,843.54	88,563.26
Add: Transaction cost on long term borrowings	95.32	136.00
Add/(Less): Non cash items	-	(23,715.65)
Add/(Less): Cash flow (net)	89.98	(5,140.07)
As at 31st March	**60,028.84**	**59,843.54**

2 Gross movement of borrowings/ loans & advances:

(Rs. in Lakh)

Particulars		Year Ended 31st March, 2023	Year Ended 31st March, 2022
Short term borrowing			
Amount received during the year		1,104.95	434.60
Less: Amount repaid during the year		(512.21)	(5,572.27)
	Net	**592.74**	**(5,137.67)**
Loans given to subsidiary and related party			
Loan repayment received during the year		5,431.82	1,495.12
Less: Reimbursement/Allocation of common costs and expenses recovered		(9.61)	(93.23)
Less: Loan given during the year		(2,520.86)	(4,649.88)
	Net	**2,901.35**	**(3,247.99)**

3 Bracket indicates cash outflow.

4 The above cash flow statement has been prepared under the "Indirect Method" as set out in IND AS 7 on Statement of Cash Flow.

5 The Company has assigned capital advances given to a related party amounting to Rs 4,477.43 lakh against amount payable to another related party in accordance with the deed of assignment.

Notes to the financial statements 1 to 79

As per our report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration Number 116560W/W100149

For and on behalf of the Board of Directors of Arshiya Limited

Milan Mody
Partner
Membership Number: 103286

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Place: Mumbai
Date: 30th May, 2023

Dinesh Kumar Sodani
Chief Financial Officer

Navnit Choudhary
VP - Commercial

Ajit Dabholkar
Company Secretary

Notes to the standalone financial statements for the year ended 31st March, 2023

1 Corporate Information

Arshiya Limited (the Company) (CIN : L93000MH1981PLC024747) is a unified supply chain and integrated logistics infrastructure solution provider and is engaged in the business of Free Trade and Warehousing Zone (FTWZ) and additional sector i.e. electronic hardware and software (including IT / ITES) along with development, operations and maintenance of FTWZ. The Company is a public company in India and is incorporated on 3rd July, 1981 under the provisions of the Companies Act applicable in India. The registered office of the company is located at 205 & 206 (Part), 2nd Floor, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400 018.

The Company is developer at FTWZ, Panvel, Maharashtra. FTWZ's are developed under the provisions of Special Economic Zone Act, 2005 and the Special Economic Zone Rules, 2006.

The Company's equity shares are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) of India.

The Financial statements of the Company for the year ended 31st March, 2023 were approved and adopted by the Board of Directors in their meeting held on 30th May, 2023.

2 Basis of preparation of financial statements

2.1 Statement of compliance

The financial statements (on standalone basis) of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

2.2 Basis of measurement

The financial statements are prepared on a historical cost convention basis, except for certain financial assets and liabilities which are measured at fair value / amortized cost.

Refer Note No. 47 with regard to preparation financial statements on going concern basis.

2.3 Functional currency

The financial statements are presented in Indian Rupees (Rs.), which is the Company's functional and presentation currency and all values are rounded to the nearest lakh as per the requirement of schedule III of the Act, unless when otherwise indicated.

3 Significant Accounting Policies

3.1 Property, Plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, borrowing cost and any cost directly attributable to the bringing the assets to its working condition for its intended use.

Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these, will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred.

Depreciation on the property, plant and equipment is provided using straight line method over the useful life of assets as specified in schedule II to the Companies Act, 2013. Leasehold improvements are amortised over the period of lease or useful life, whichever is earlier. Depreciation on property, plant and equipment which are added / disposed off during the year, is provided on pro-rata basis with reference to the date of addition / deletion. Freehold land is not depreciated and under the previous GAAP land was revalued. The revalued amount was subsequently taken as the deemed cost in compliance with IND AS 101.

The assets' residual values, useful lives and method of depreciation are reviewed at each financial year end and are adjusted prospectively, if appropriate.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Profits / losses arising in the case of retirement / disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

The Company has opted to continue with the carrying values of all of its property, Plant and Equipment as recognised in the previous GAAP financial statements as deemed cost at the transition date i.e. 1st April, 2016.

Notes to the standalone financial statements for the year ended 31st March, 2023

3.2 Intangible Assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible assets.

Subsequent expenditures related to an item of intangible assets are added to its carrying amount when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

Cost of Enterprise Resource Planning (ERP) software including expenditure on implementation is to be amortised over a period of ten years based on management's estimate of useful life over which economic benefits will be derived from its use.

Computer softwares are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of three to seven years. The assets' useful lives are reviewed at each financial year end.

Trademark are amortised over the period of ten (10) years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Intangible assets under development includes cost of computer software under installation / under development as at the balance sheet date.

The Company has opted to continue with the carrying values of all of its Intangible assets as recognised in the previous GAAP financial statements as deemed cost at the transaction date i.e. 1st April, 2016.

3.3 Leases

The Company assesses whether a contract is or contains a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases). For these short term leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using its incremental borrowing rate as the discount rate.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

ROU assets and Lease liability have been separately presented in the Balance Sheet note 5b, 22 & 27 respectively and lease payments have been classified as financing cash flows.

3.4 Inventories

Inventories are measured at lower of cost/ deemed cost and net realisable value whichever is lower.

3.5 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Notes to the standalone financial statements for the year ended 31st March, 2023

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand and short-term deposits, as defined above, net of outstanding bank overdrafts as which are considered an integral part of the Company's cash management.

3.6 Impairment of non financial assets

An asset is considered as impaired when at the date of Balance Sheet, there are indications of impairment and the carrying amount of the asset, or where applicable, the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use).The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the statement of profit and loss. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

3.7 Financial instruments – initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets -Initial recognition and measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Financial assets - Subsequent measurement:

For the purpose of subsequent measurement, financial assets are classified in two broad categories:-

a) Financial assets at fair value

b) Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

(a) **Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flow.

(b) **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at **fair value through other comprehensive income** unless the asset is designated at fair value through profit or loss under the fair value option.

(a) **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets.

(b) **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

Financial assets - Equity Investment in subsidiaries

Investments in subsidiaries are recognised at cost as per Ind AS 27 separate financial statements.

Transition to Ind AS

Upon first-time adoption of Ind AS, the Company has elected to continue with the carrying value of all of its investments in subsidiaries as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of investments in subsidiaries.

In respect of interest free loans given to subsidiaries, the difference between the loan amount and its fair value is treated as further investment by the Company in the respective subsidiaries. Where financial guarantees in relation to loans of subsidiaries are provided for no compensation, the fair values are added to investment by the Company in respective subsidiaries.

The Company has accounted for its equity investment in subsidiaries at cost.

Financial assets - Derecognition

A financial assets (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

Notes to the standalone financial statements for the year ended 31st March, 2023

(a) The rights to receive cash flows from the asset have expired, or
(b) The Company has transferred its rights to receive cash flow from the asset.

Financial liabilities - Initial recognition and measurement:
The financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Effective interest method
The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expenses over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of financial instruments, or where appropriate, a shorter period.

Financial liabilities - Subsequent measurement
Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts are approximate at their fair value due to the short maturity of these instruments.

Financial Liabilities - Financial guarantee contracts
Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortisation.

Financial Liabilities - Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Compound Instruments
An issued financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and the residual value is recognised as equity component of other financial instrument. The liability component is subsequently measured at amortised cost, whereas the equity component is not remeasured after initial recognition. The transaction costs related to compound instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognised directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortised using effective interest method.

3.8 Provisions, Contingent Liabilities, Contingent Assets and Commitments:
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

3.9 Dividend Distribution
Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable is recognised directly in other equity.

Notes to the standalone financial statements for the year ended 31st March, 2023

3.10 Revenue recognition

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.

Revenue are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

(i) Income from allotment of warehousing spaces and open yard area for use are recognised for the period the material is lying in area as per agreed terms.

(ii) Revenue from valued services and other activities is recognised when related services are performed as per the contractual terms.

(iii) Revenue from Business Conducting Fees and Common Infrastructure income shall be recognised as per contractual terms.

(iv) Revenue from lease of land is recognised as per contract terms agreed between the parties.

(v) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(vi) Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the payment of dividend.

Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional.
Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business.
Trade receivables are measured at their transaction price unless it contains a significant financing component or pricing adjustments embedded in the contract.

Contract liabilities

A contract liability is the obligation to transfer of services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made Contract liabilities are recognised as revenue when the Company performs under the contract.

3.11 Foreign currency reinstatement and translation:

Transactions in foreign currencies are initially recorded by the Company at rates prevailing at the date of the transaction. Subsequently monetary items are translated at closing exchange rates as on balance sheet date and the resulting exchange difference recognised in statement of profit and loss. Differences arising on settlement of monetary items are also recognised in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other finance gains / losses are presented in the statement of profit and loss on a net basis.

3.12 Employee benefits

Short term employee benefits are recognized as an expense in the statement of profit and loss of the year in which the related services are rendered.

(a) Defined Contribution Plan

Contribution to Provident Fund etc., a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

Notes to the standalone financial statements for the year ended 31st March, 2023

(b) **Defined Benefit Plan**

Leave encashment being a defined benefit plan is accounted for using the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the year in which they arise. Other costs are accounted in statement of profit and loss.

The cost of providing gratuity, a defined benefit plans, is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in statement of profit and loss.

Remeasurements of defined benefit plan in respect of post employment and other long term benefits are charged to the other comprehensive income in the year in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

3.13 Taxes on Income

Income tax expense represents the sum of current tax (including income tax for earlier years) and deferred tax . Tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income.

Current tax provision is computed for income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilized. Deferred tax assets and liabilities are measured at the applicable tax rates. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilized.

3.14 Borrowing costs

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset.

The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

3.15 Earnings per Share

Basic earnings per share is computed using the net profit/(loss) for the year attributable to the shareholders' and weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit/(loss) for the year attributable to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

3.16 Current and non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.
The Company has presented non-current assets and current assets, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

Notes to the standalone financial statements for the year ended 31st March, 2023

An asset is classified as current when it is:

(a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

(b) Held primarily for the purpose of trading,

(c) Expected to be realised within twelve months after the reporting period, or

(d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when it is:

(a) Expected to be settled in normal operating cycle,

(b) Held primarily for the purpose of trading,

(c) Due to be settled within twelve months after the reporting period, or

(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its normal operating cycle.

3.17 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or

(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy.

3.18 Off-setting financial Instrument

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable rights to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable rights must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or counterparty.

3.19 Operating Segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

3.20 Contributed Equity

Equity Shares are classified as equity, incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax from the proceeds.

Notes to the standalone financial statements for the year ended 31st March, 2023

3.21 Share Based Payment

Equity settled share based payments to employees providing services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity share based payments transactions are set out in Note 56.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Employee Stock Options Reserve.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.22 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3.23 Assets (or disposal group) held for sale and discontinued operations

Assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the asset (or disposal group) is recognised at the date of de-recognition.

The criteria for held for sale classification is regarded as met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold.

Assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the Company that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

4 Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Company based on its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

4.1 Property, plant and equipment and Intangible Assets

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate. Refer Note no 75 as regards judgement in current year.

Notes to the standalone financial statements for the year ended 31st March, 2023

4.2 Income Tax

The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the financial statements.

4.3 Contingencies

Management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

4.4 Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Refer note no. 72 as regards judgement exercised in current year.

4.5 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent to those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators. Refer note no. 75 as regards judgement exercised in current year.

4.6 Defined benefits plans

The Cost of the defined benefit plan and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

4.7 Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

4.8 Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

4.9 Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4.10 Exceptional Items

Exceptional items are those items that management considers, by virtue of their size or incidence, should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior periods. Such items are material by nature or amount to the year's result and / or require separate disclosure in accordance with Ind AS. The determination as to which items should be disclosed separately requires a degree of judgement. The details of exceptional items are set out in note 37.

Notes to the standalone financial statements for the year ended 31st March, 2023

4a Recent Accounting pronouncements

On 31st March, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from 1st April, 2023

- **Ind AS 1 - Preparation of Financial Statements** - The Companies should now disclose "Material Accounting Policies" rather than "Significant Accounting Policies". Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.

- **Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** - "Definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'. As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. A company develops an accounting estimate to achieve the objective set out by an accounting policy. Accounting estimates include:

(a) Selection of a measurement technique (estimation or valuation technique)
(b) Selecting the inputs to be used when applying the chosen measurement technique"

- **Ind AS 12 - Income Taxes** - Narrowed the scope of the Initial Recognition Exemption (IRE) (with regard to leases and decommissioning obligations). Now IRE does not apply to transactions that give rise to equal and offsetting temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

Based on preliminary assessment, the Company does not expect the consequential amendments to have any significant impact in its financial statements.

Notes to the standalone financial statements for the year ended 31st March, 2023

5 (a). Property, Plant and Equipment

(Rs. in Lakh)

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Leasehold Improvements	Total
Gross Carrying Value									
As at 1st April, 2021	39,764.99	24,616.85	2,203.10	96.44	65.23	562.76	55.55	-	67,364.92
Additions	-	-	29.25	-	-	-	2.70	27.60	59.55
Disposals	-	-	-	-	-	-	-	-	-
As at 31st March, 2022	39,764.99	24,616.85	2,232.35	96.44	65.23	562.76	58.25	27.60	67,424.47
Additions	-	-	-	-	-	-	1.55	-	1.55
Disposals	(9,735.11)	-	-	-	-	-	-	-	(9,735.11)
As at 31st March, 2023	30,029.88	24,616.85	2,232.35	96.44	65.23	562.76	59.80	27.60	57,690.91
Accumulated Depreciation									
As at 1st April, 2021	-	3,647.54	1,048.20	79.08	31.90	387.39	25.31	-	5,219.42
Depreciation for the year	-	435.64	210.77	4.47	4.33	47.97	7.68	2.60	713.46
Disposals	-	-	-	-	-	-	-	-	-
As at 31st March, 2022	-	4,083.18	1,258.97	83.55	36.23	435.36	32.99	2.60	5,932.88
Depreciation for the year	-	380.51	212.61	2.36	4.33	16.03	3.39	5.53	624.76
Disposals	-	-	-	-	-	-	-	-	-
As at 31st March, 2023	-	4,463.69	1,471.58	85.91	40.56	451.39	36.38	8.13	6,557.64
Net Carrying value as at 31st March, 2023	30,029.88	20,153.16	760.77	10.53	24.67	111.37	23.42	19.47	51,133.28
Net Carrying value as at 31st March, 2022	39,764.99	20,533.67	973.38	12.89	29.00	127.40	25.26	25.00	61,491.60

Notes:

1) Refer Note No 75 in relation with impairment of assets.

2) For details of securities charged on above property, plant and equipment, refer note no. 21 & 25.

Notes to the standalone financial statements for the year ended 31st March, 2023

5 (b). Right of Use Assets

(Rs. in Lakh)

Particulars	Buildings	Plant and Equipment	Furniture and Fixtures	Total
Gross Carrying Value				
As at 1st April, 2021	-	**120.00**	**100.25**	**220.25**
Addition	521.36	25.07	-	546.43
Modification during the year	-	-	-	-
As at 31st March, 2022	**521.36**	**145.07**	**100.25**	**766.68**
Addition	-	-	-	-
Modification during the year	-	-	-	-
As at 31st March, 2023	**521.36**	**145.07**	**100.25**	**766.68**
Accumulated Depreciation				
As at 1st April, 2021	-	**50.53**	**1.65**	**52.18**
Depreciation for the year	56.53	28.71	16.70	101.94
Modification during the year	-	-	-	-
As at 31st March, 2022	**56.53**	**79.24**	**18.35**	**154.12**
Depreciation for the year	104.22	29.41	16.70	150.33
Modification during the year	-	-	-	-
As at 31st March, 2023	**160.75**	**108.65**	**35.05**	**304.45**
Net Carrying value as at 31st March, 2023	**360.61**	**36.42**	**65.20**	**462.23**
Net Carrying value as at 31st March, 2022	**464.83**	**65.83**	**81.90**	**612.56**

Refer Note No. 46 for disclosures relating to Ind AS 116 'Leases'.

Notes to the standalone financial statements for the year ended 31st March, 2023

6. Intangible Assets

(Rs. in Lakh)

Particulars	Trademarks	Software	Total
Gross Carrying Value			
As at 1st April, 2021	0.49	1,591.20	**1,591.69**
Additions	-	-	-
Disposals	-	-	-
As at 31st March, 2022	**0.49**	**1,591.20**	**1,591.69**
Additions	-	-	-
Disposals	-	-	-
As at 31st March, 2023	**0.49**	**1,591.20**	**1,591.69**
Accumulated Amortisation			
As at 1st April, 2021	0.49	1,282.41	1,282.90
Amortisation for the year	-	217.14	217.14
Disposals	-	-	-
As at 31st March, 2022	**0.49**	**1,499.55**	**1,500.04**
Amortisation for the year	-	61.53	61.53
Disposals	-	-	-
As at 31st March, 2023	**0.49**	**1,561.08**	**1,561.57**
Net Carrying value as at 31st March, 2023	-	**30.12**	**30.12**
Net Carrying value as at 31st March, 2022	-	**91.65**	**91.65**

Notes to the standalone financial statements for the year ended 31st March, 2023

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	Rs. In Lakh	No. of Shares	Rs. In Lakh
Non-Current Financial Assets				
7. Investments #				
(Unquoted Investments carried at Cost)				
(i) Investments in Equity Instruments of Subsidiaries				
Arshiya Northern FTWZ Limited (the face value of Rs. 10 each) @	1,08,68,677	44,625.29	1,08,68,677	44,625.29
Arshiya Technologies (India) Private Limited (the face value of Rs. 10 each)	1,01,158	2.00	1,01,158	2.00
Arshiya Lifestyle Limited (the face value of Rs. 10 each)	14,85,000	14.85	14,85,000	14.85
Arshiya Logistics Services Limited (the face value Rs. 10 each)	16,00,000	155.50	16,00,000	155.50
Arshiya Infrastructure Developers Private Limited (the face value Rs. 10 each)	10,000	1.00	10,000	1.00
Unrivalled Infrastructure Private Limited (the face value Rs. 10 each)	10,000	1.00	10,000	1.00
Arshiya Data Centre Private Limited (the face value Rs. 10 each)	10,000	1.00	10,000	1.00
Total (I)		44,800.64		44,800.64
(All the above equity shares are fully paid up)				
(ii) Deemed Equity Investments				
Arshiya Northern FTWZ Limited		-		696.96
Arshiya Lifestyle Limited		622.32		2,759.36
Arshiya Data Centre Private Limited		-		2,649.40
Total (ii)		622.32		6,105.72
Total (i+ii)		45,422.96		50,906.36

@ As per debt covenants of the Arshiya Northern FTWZ Limited ('ANFL'), the Company is required to pledge 100% of the shareholding in favor lenders however the Company has pledged 70,59,038.(Previous year 70,59,038) equity shares of Arshiya Northern FTWZ limited. Accordingly the Company has not complied with the agreed debt covenants.

@ In case of Arshiya Northern FTWZ limited, during the year CIR process has been initiated and interim resolution professional has been appointed. However, the management of the Company based on the legal opinion obtained has continued to disclose the said Company as a subsidiary.

Refer note no. 53

7.1 Other Disclosure **(Rs. in Lakh)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Aggregate amount of Unquoted Investments	45,422.96	50,906.36
Aggregate amount of Impairment in value of Investments	5,483.40	-

Notes to the standalone financial statements for the year ended 31st March, 2023

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non- Current Financial Assets		
8 Loans		
Unsecured, considered good unless otherwise stated		
Loans to Subsidiaries (Refer Note No. 58)	606.98	2,976.22
Loans to related party (Refer Note No. 58)	-	1,404.34
Total	**606.98**	**4,380.56**

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
9 Other Financial Assets		
Security Deposits	51.07	45.86
Interest receivables	-	50.23
Total	**51.07**	**96.09**

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non-Current Assets		
10 Other Non-Current Assets		
Capital Advances (Refer Note No 39)	4,487.43	-
Less: Fair value adjustments	(1,442.58)	-
	3,044.85	-
TDS Receivables/Taxes paid	114.78	210.44
VAT Refund receivables (Refer Note No 49)	1,876.65	1,876.65
Total	**5,036.28**	**2,087.09**

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current Assets		
11 Inventories		
(Valued at lower of cost or net realizable value)		
Land (Refer note no. 75)	12,537.34	12,537.34
Total	**12,537.34**	**12,537.34**

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current Financial Assets		
12 Trade Receivables- Unsecured		
Considered good (Receivables from Related party (Refer Note No. 58 & 76)	13,064.16	13,555.59
Trade Receivables which have significant increase in credit risk	-	37.08
	13,064.16	**13,592.67**
Less: Allowance for expected credit loss	-	(37.08)
Total	**13,064.16**	**13,555.59**

Notes to the standalone financial statements for the year ended 31st March, 2023

(A) Trade Receivable ageing schedule:

Outstanding for following periods from due date of payment

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Undisputed, considered good		
Not due	-	10.73
Less than 6 months	-	8,706.38
6 months to 1 year	4,282.73	4,543.88
1 to 2 years	8,777.96	178.15
2 to 3 years	3.47	116.45
More than 3 years	-	-
Total	**13,064.16**	**13,555.59**
Undisputed Trade Receivables which have significant increase in credit risk		
Less than 6 months	-	1.39
6 months to 1 year	-	23.62
1 to 2 years	-	12.07
2 to 3 years	-	-
More than 3 years	-	-
Total	**-**	**37.08**

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
13 Cash and Cash Equivalents		
Balances with banks:		
- in current accounts	8.80	12.29
Cash on hand	-	8.00
Total	**8.80**	**20.29**

13.1 Cash and cash equivalents as at 31st March, 2023 comprises of restricted bank balances held in escrow account with bank amounting to Rs. 0.25 Lakh (31st March, 2022 - Rs. 0.35 Lakh). This account can only be operated with the specific permission / instruction in terms of the Escrow Agreement.

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
14 Other Bank Balances		
Deposits with bank to the extent held as security (refer below note)	23.03	15.03
Total	**23.03**	**15.03**

Note:

Deposits with bank to the extent held as security of Rs. 15.03 Lakh against guarantee given to Maharashtra Pollution Control Board and security of Rs. 8.00 Lakh against Bank overdraft facility.

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
15 Loans		
Unsecured, considered good unless otherwise stated		
Loans to Subsidiaries (Refer Note No. 58)	20,158.51	20,273.68
Total	**20,158.51**	**20,273.68**

Notes to the standalone financial statements for the year ended 31st March, 2023

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
16 Other Financial Assets		
Unbilled Revenue	2,770.49	3,565.60
Less: Allowance for expected credit loss	(336.64)	-
	2,433.85	3,565.60
Other recoverables (Refer Note No 40)	11,016.37	1,143.93
Total	13,450.22	4,709.53
17 Other Current Assets		
Advances to Suppliers	114.12	104.16
Advances to employees	0.38	18.51
Prepaid expenses	6.58	10.00
Balances with Statutory, Government Authorities	74.72	47.77
Cash seized by Government Authority	8.20	-
Total	204.00	180.44

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
18 Assets held for Sale		
Investments in Equity Instruments of Subsidiaries		
Arshiya Northern Projects Private Limited (50,000 Equity Shares face value Rs. 10 each) (Refer Note No.53)	5.00	5.00
Total	5.00	5.00

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
19 Equity Share Capital		
Authorised		
(i) 28,75,00,000 (31st March, 2022 - 28,75,00,000) Equity Shares of Rs. 2 each	5,750.00	5,750.00
(ii) 30,00,000 (31st March, 2022 - 30,00,000) 0% Optionally Convertible Redeemable Preference Shares (OCRPS) of Rs. 10 each	300.00	300.00
Total	6,050.00	6,050.00
Equity Share Capital - issued, subscribed and fully paid		
26,34,75,915 (31st March, 2022 - 26,22,75,915) Equity Shares of Rs. 2 each	5,269.52	5,245.52
Total	5,269.52	5,245.52

Notes to the standalone financial statements for the year ended 31st March, 2023

(a) Terms and rights

(i) Terms and rights attached to equity shares

The Company has one class of equity share having a par value of Rs. 2 per share. Each holder of equity share is entitled to one vote per share. The shareholders who held shares on the record date are entitled to dividend as may be proposed by the Board of Directors and is subject to approval of the Shareholders at the ensuing General Meeting.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholders.

(ii) Terms and rights attached to 0% Optionally Convertible Redeemable Preference Shares (OCRPS)

The Company has 0% optionally convertible redeemable preference shares having a par value of Rs. 10 per share. Each holder of OCRPS has right / entitled to convert into equity shares within 18 months from the date of issue or redemption from the end of 19th year to 23rd year as per terms.

(b) Reconciliation of equity shares outstanding as at the beginning and end of the year

Particulars	Number of Shares	Rs. in Lakh
Balance as at 1st April 2021	**26,22,75,915**	**5,245.52**
Add: Issued during the year	-	-
Balance as at 31st March, 2022	**26,22,75,915**	**5,245.52**
Add: Issued during the year (Refer Note No. 56)	12,00,000	24.00
Balance as at 31st March, 2023	**26,34,75,915**	**5,269.52**

(c) Details of equity shares held by the shareholders holding more than 5% of the aggregate shares in the Company

(i) Details of equity shares held by the shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at 31st March 2023		As at 31st March 2022	
	Number of Shares	Percentage (%) shareholding	Number of Shares	Percentage (%) shareholding
Archana A Mittal	4,93,09,788	18.72%	6,42,37,278	24.49%
Ajay S Mittal	2,33,56,437	8.86%	3,83,56,437	14.62%
Edelweiss Asset Reconstruction Company Limited (through various EARC trusts)	6,12,12,215	23.23%	6,00,59,821	22.90%

The above information is based on the detail received from share transfer agent.

(ii) Details of Shareholding of Promoters

Name of the Promoters	Number of Shares	Percentage (%) shareholding	% Change during the year
As at 31st March 2023			
Archana A Mittal	4,93,09,788	18.72%	-5.78%
Ajay S Mittal	2,33,56,437	8.86%	-5.76%
As at 31st March 2022			
Archana A Mittal	6,42,37,278	24.49%	-8.32%
Ajay S Mittal	3,83,56,437	14.62%	0.00%

Promoters's shareholding decreased in compared to previous year due to invocations / sale of pledged shares. During the year, 2,99,27,490 number of promoter's equity shares has been invoked by the lenders (Refer note no. 25.2).

Notes to the standalone financial statements for the year ended 31st March, 2023

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
20 Other Equity		
(i) Amalgamation Reserve		
Balances as at the beginning and end of the year	124.80	124.80
Reserve and Surplus		
(ii) Securities Premium Account		
Balances as at the beginning of the year	60,703.59	60,703.59
Add: On Issue of Equity Shares (Refer Note No. 56)	362.16	-
Balances as at the end of the year	**61,065.75**	**60,703.59**
(iii) Employee Stock Options Reserves (Refer Note No. 56)		
Balances as at the beginning of the year	347.66	-
Add: Share based payment	205.72	347.66
Less: On issue of Equity Shares	(362.16)	-
Balances as at the end of the year	**191.22**	**347.66**
(iv) General Reserve		
Balances as at the beginning and end of the year	940.18	940.18
(v) Retained Earnings		
Balances as at the beginning of the year	23,839.03	(16,311.36)
Add: (Loss) / Profit for the year	(18,148.18)	40,157.04
Add: Other comprehensive income	4.44	(6.65)
Balances as at the end of the year	**5,695.29**	**23,839.03**
Total (i to v)	68,017.27	85,955.28

Nature and purpose of Reserve and Surplus:

(a) Securities Premium Account:
Securities premium account is created to record premium received on issue of equity shares. The reserve is utilized in accordance with the provision of the Companies Act, 2013.

(b) General Reserve:
General Reserve is used for time to time transfer of profits from Retained Earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit and loss.

(c) Amalgamation Reserve:
Amalgamation reserve is created on account of scheme of amalgamation of erstwhile BDP (India) Private Limited with the Company approved by the Hon'ble High Court of Judicature at Bombay in earlier years.

(d) Employee Stock Options Reserve:
Employee stock reserve is created on account of Employee Stock Option granted to the employees.

(e) Retained Earning:
Retained Earnings are the profit/(loss) of the Company earned till date net of appropriations.

Further, the Company had revalued freehold land based on independent professional valuation report and had a balance of Rs. 22,617.12 lakh in revaluation reserve on the date of transition i.e. 1st April, 2016. Under Ind AS, the Company has adopted previous GAAP carrying value as deemed cost for PPE as on transition date and accordingly revaluation reserve has been transferred to retained earnings based on clarification issued by Ind AS Technical Facilitation Group ('ITFG'). The aforementioned revaluation reserve is not a free reserve as per the Companies Act, 2013 and hence is not available for distribution as dividend.

Notes to the standalone financial statements for the year ended 31st March, 2023

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non-Current Liabilities		
21 Borrowings		
Secured		
(a) Term Loans		
From banks (Refer Note No. 21.1)	8,224.63	7,642.74
From Other Parties (Refer Note No. 21.2)	68,460.56	59,312.33
(b) Vehicles Loan from bank (Refer Note No 21.3)	2.61	5.38
	76,687.80	**66,960.45**
Less: Current maturities of long term loans:		
From Banks	4,645.71	5,145.71
From Other parties	50,236.00	31,760.00
Less: Current maturities of Vehicle loans	2.61	3.17
Less: Interest accrued and due	12,929.57	3,915.06
Less: Interest accrued but not due	8,873.91	7,753.63
	76,687.80	**48,577.57**
Total	-	**18,382.88**

As stated Refer notes 40, 41, & 42.

The Company has defaulted in repayment of loan from banks and other parties and according to the agreed terms with the lender the entire loan became due on the day of default. Accordingly the entire amount has been disclosed as current maturities for long term borrowings under short term borrowings.

The terms and condition stated below are considered based on the latest settlement with the respective lenders wherever applicable.

21.1 Term loans from Bank:

(1) Rupee loan of Rs. 971.41 Lakh (31st March, 2022 - Rs. 1,471.41 Lakh) (Refer Note No. 42.2):

(a) Securities provided

(i) Second charge on movable and immovable property, plant and equipments of the Company, present and future on pari-passu.

(ii) The above loan is secured by personal guarantees of two Promoter Directors of the Company.

(b) Terms of Interest rate:

Rate of interest is @ 11.70% p.a.

(c) Terms of Repayment:

Rupee term loan is repayable on or before 30th June 2022.

(d) The bank has been in default for the repayment of principal amount of Rs. 971.41 lakh since 30th June, 2022 (31st March, 2022 - Nil).

(2) Rupee loan of Rs. 3,200.00 Lakh (31st March, 2022 - Rs. 3,200.00 Lakh):

(a) Securities provided

(i) Second charge on movable and immovable Panvel assets of the Company except for the excluded properties under Lease Agreement dated 3rd February, 2018

(ii) Second charge on present and future receivables including the amount deposited to the EARC TRA account of the Company .

(iii) The above loans are secured by personal guarantees of two Promoter Directors of the Company.

(b) Terms of Interest rate

Rate of Interest is @ 14.50% p.a.

(c) Terms of Repayment:-

Rupee term loan is repayable in Bullet payment at the end of the tenure of loan i.e. 36 months from the date of first disbursement i.e. 21st March, 2018.

(d) The Company has been in default for the repayment of principal amount of Rs. 3,200.00 Lakh since FY 2020-21.

(3) Rupee loan of Rs. 474.30 Lakh (31st March, 2022 - Rs. 474.30 Lakh):

(a) Securities provided

(i) Second charge on movable and immovable Panvel assets of the Company except for the excluded properties under Lease Agreement dated 3rd February, 2018

(ii) Second charge on present and future receivables including the amount deposited to the EARC TRA account of the Company.

(iii) The above loans are secured by personal guarantees of two Promoter Directors of the Company.

Notes to the standalone financial statements for the year ended 31st March, 2023

(b) Terms of Interest rate
Rate of Interest is @ 14.50% p.a.

(c) Terms of Repayment:-
Rupee term loan is repayable in 78 equal monthly instalment commencing from the date of first disbursement i.e. 31st August, 2018.

(d) The Company has been in default for the repayment of principal amount of Rs. 474.30 Lakh (31st March, 2022 - Rs. 474.30 Lakh) since 31st January, 2019.

21.2 Rupee Term loans from Other Parties:

(1) Rupee term loan of Rs. 38,486.00 Lakh (31st March, 2022 - Rs. 38,390.67 Lakh) (Refer Note No. 42.1):
(a) Security provided:
(i) First charge on all the present and future movable and immovable property, plant and equipment including intangible assets, assignment of rights and benefits but excluding project assets for Khurja FTWZ project, Khurja Distripark Project, Nagpur project and Rail project on pari passu basis.
(ii) Second charge on current assets of the Company but excluding current assets for Khurja FTWZ project, Khurja Distripark Project, Nagpur project and Rail project on pari passu basis.
(iii) first pari passu charge by way of hypothecation on the Panvel Receivables both existing and future of whatsoever nature.

(iv) The above loans are secured by personal guarantees of two Promoter Directors of the Company.
(v) The loans are secured by pledged of shares held by the two Promoter Directors of the Company.

(b) Terms of Interest rate
Rate of Interest is @ 12% p.a. monthly accrual.

(c) Terms of Repayment:-

Year	Rs. in Lakh
FY 2021-22	2,510.00
FY 2022-23	17,500.00
FY 2023-24	18,500.00
Total	38,510.00

(d) The Company has been in default for the repayment of principal amount of Rs. 20,010.00 Lakh (31st March, 2022 - Rs. 2,510.00 Lakh) since June, 2022.

(e) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. 24.00 Lakh (31st March, 2022 - Rs. 119.33 Lakh).

(2) Loan of Rs. 5,000.00 Lakh (31st March, 2022 - Rs. 5,000.00 Lakh) (Refer Note No. 40)
(i) Secured by first and exclusive charge on land situated at Village Butibori at Nagpur, Maharashtra.
(ii) The above loan is secured by personal guarantees of two Promoter Directors of the Company.
(iii) Rate of interest is @ 20% p.a.

(3) Loan of Rs. 2,000.00 Lakh (31st March, 2022 - Rs. 2,000.00 Lakh) (Refer Note No. 41)
(i) Secured by first and exclusive charge on land of Arshiya Rail Infrastructure Limited situated at Khurja, Bulandshahr, Uttar Pradesh.

(ii) The above loan is secured by personal guarantees of two Promoter Directors of the Company.
(iii) Rate of interest is @ 18% p.a.
(iv) Refer Note no. 41 in respect of pending finalisation of the restructuring agreement with the asset reconstruction company, the said loans are not considered under default.

(4) Rupee term loan of Rs. 2,650.00 Lakh (31st March, 2022 - Rs. 2,650.00 Lakh):
(a) Securities provided
(i) Second charge by way of equitable mortgage/hypothecation on the entire immovable and movable property, plant and equipment of the Company on pari-passu basis.
(ii) The above loans are secured by personal guarantees of two Promoter Directors of the Company.

(b) Rate of interest is @ 24% p.a.

(c) Terms of Repayment:-
Rupee term loan is repayable in 13 structured quarterly instalments commencing from 31st January, 2018.

(d) The Company has been in default for the repayment of principal amount of Rs. 2,650.00 Lakh. (31st March, 2022 - Rs. 2,650.00 Lakh).

(5) Rupee term loan of Rs. 2,100.00 Lakh (31st March, 2022 - Rs. 2,100.00 Lakh):
(a) Securities provided
(i) The above loan are secured by charge on residual cashflow of the Company.
(ii) The above loans are secured by the immovable property held by one Promoter Director of the Company on pari passu basis.
(iii) The above loans are secured by personal guarantees of two Promoter Directors of the Company.

Notes to the standalone financial statements for the year ended 31st March, 2023

(iv) The above loans are secured by pledged of shares held by the one Promoter Director of the Company.

(b) Terms of Interest rate
Rate of Interest is @ 18% p.a. compounded half yearly.

(c) The above loan is assigned to Assets Reconstruction Company (ARC) in the financial year 2021-22. The Company continues to provide interest in line with major terms of earlier sanction letter until the finalisation of the restructuring agreement. Upon finalization of the terms of restructuring with ARC, the Company shall record the effect of the revised terms as to the repayment of principal and interest. Accordingly the said loan has not been considered under default.

21.3 Vehicle loans from Bank
Two vehicle loans are secured by way of hypothecation of vehicles. Rate of interest for both loan is @ 8.55% p.a. and repayment tenure in monthly instalment up to October 2023 and January 2024 respectively.

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
22 Lease Liabilities		
Lease Liabilities (Refer Note No.46)	398.11	496.70
Total	**398.11**	**496.70**
23 Other Financial Liabilities		
Financial Liabilities at amortised cost		
Financial guarantees obligations	88.01	168.29
Total	**88.01**	**168.29**

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
24 Provisions		
Provision for employee benefits (Refer Note No. 45)		
Gratuity	54.54	61.23
Leave encashment	17.90	20.34
Total	**72.44**	**81.57**

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current Financial Liabilities		
25 Borrowings		
Secured		
(a) Loan from Other Parties (Refer note no.25.1)	3,922.18	4,322.18
(b) Current maturities of long term debts from banks (Refer note no. 21.1)	4,645.71	5,145.71
(c) Current maturities of long term debts from other parties (Refer note no. 21.2)	50,236.00	31,760.00
(d) Current maturities of vehicle loan (Refer note no. 21.3)	2.61	3.17
Unsecured		
(a) Loans from Promoter Directors (Refer note no. 25.2)	1,145.34	152.60
(b) Inter Corporate Deposits (Refer note no. 25.3)	77.00	77.00
Total	**60,028.84**	**41,460.66**

Notes to the standalone financial statements for the year ended 31st March, 2023

25.1 Loan from Other Parties

(1) Loan of Rs. 3,722.18 Lakh (31st March, 2022 - Rs. 3,722.18 Lakh):

(a) Securities provided

(i) Priority charges on all present and future cash flows, all assets and movable collateral available to the existing lenders of the Company as per the Deed of Hypothecation.

(ii) The above loans are secured by personal guarantees of two Promoter Directors of the Company.

(b) Terms of interest: @ 18% p.a.

(c) The Loan was repayable on 30th June, 2018.

(d) The Company has been in default for the repayment of principal amount of Rs. 3,722.18 Lakh (31st March, 2022 - Rs. 3,722.18 Lakh) since 30th June, 2018.

(2) Loan of Rs. 200.00 Lakh (31st March, 2022 - Rs. 600.00 Lakh) (Refer Note No. 42.3):

(a) Securities provided

(i) Exclusive charges on cash flows of domestic warehousing building.

(ii) The above loans are secured by mortgage over lands admeasuring 6,340 Sq. mt. of the Company and wholly owned subsidiary company and 790 Sq. mt. of NCR Rail Infrastructure Limited (formerly known as Arshiya Rail Infrastructure Limited).

(iii) The above loans are secured by personal guarantees of two Promoter Directors of the Company.

(iv) The above loans are secured by corporate guarantees of the subsidiary Company and NCR Rail Infrastructure Limited.

(b) Terms of interest: @ 11% p.a.

(c) Terms of Repayment:-

Year	Rs. in Lakh
25th April, 2022	200.00
25th June, 2022	200.00
25th August, 2022	200.00
Total	**600.00**

(d) The Company has been in default for the repayment of principal amount of Rs. 200.00 Lakh since 25th August, 2022 (31st March, 2022 - Nil).

(e) The Lender has also claimed Arshiya Northern FTWZ Limited to be a corporate guarantor.

25.2 Loans from promoter directors are interest free and repayable on demand which is subject to lander covenant.

During the year, 2,99,27,490 number of promoter's equity shares has been invoked by the lenders. The Company has given the effect for 1,49,27,490 number of shares based on information received from the lender by debiting lender account and credited to promoter unsecured loan account. The management/promoter is following up with the lenders for the information of realised value for balance 1,50,00,000 shares.

25.3 Unsecured Loan Inter Corporate Deposits:

Intercorporate Deposit of Rs. 77 Lakh (31st March, 2022 - Rs. 77 Lakh) is interest free and repayable on demand.

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
26 Trade Payables		
Total Outstanding Dues of Micro and Small Enterprises (Refer Note No. 44)	237.74	269.95
Total Outstanding Dues of Creditors Other than Micro and Small Enterprises	972.55	1,099.02
Total	**1,210.29**	**1,368.97**

Notes:

(A) The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company.

Notes to the standalone financial statements for the year ended 31st March, 2023

(B) Trade payable ageing schedule:

Outstanding for following periods from due date of payment (Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Micro and Small Enterprises		
Not Due	197.01	45.74
Less than 1 year	30.86	186.73
1 to 2 years	6.68	19.58
2 to 3 years	2.08	9.49
More than 3 years	1.11	8.41
Total Micro and Small Enterprises	**237.74**	**269.95**
Other than Micro and Small Enterprises		
Not Due	144.04	218.33
Less than 1 year	148.04	182.89
1 to 2 years	4.55	24.23
2 to 3 years	11.46	31.82
More than 3 years	94.07	102.50
Total Other than Micro and Small Enterprises	**402.16**	**559.77**
Disputed Dues		
Micro and Small Enterprises		
Less than 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	-	-
Total Micro and Small Enterprises	-	-
Other than Micro and Small Enterprises		
Less than 1 year	42.25	42.25
1 to 2 years	39.00	39.00
2 to 3 years	39.00	35.75
More than 3 years	450.14	422.25
Total Other than Micro and Small Enterprises	**570.39**	**539.25**

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
27 Lease Liabilities		
Lease Liabilities (Refer Note No.46)	144.90	165.91
Total	**144.90**	**165.91**

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
28 Other Financial Liabilities		
Financial Liabilities at amortised cost		
Interest accrued and due on non-current borrowings (Refer Note No. 28.1)	12,929.57	3,915.06
Interest accrued and due on current borrowings (Refer Note No. 28.1)	1,188.79	0.98
Interest accrued but not due on borrowings (Refer Note No. 28.2)	8,873.91	7,753.63
Interest payable on delayed payments to MSME creditors (Refer Note No. 44)	6.16	13.53
Deposit from customers	82.03	116.67
Financial Guarantee Obligations	442.61	470.98
Bank Overdraft (Refer Note No. 28.3)	7.14	-
Payable for capital goods	67.77	66.04
Dues to employees	257.80	208.15
Other payables	10.00	50.00
Total	**23,865.78**	**12,595.04**

Notes to the standalone financial statements for the year ended 31st March, 2023

28.1 Details of default in payment of interest on secured loans as on 31st March, 2023 are as follows:

(Rs. in Lakh)

Year	Banks	Others	Total
FY 2018-19	343.57	45.00	388.57
FY 2019-20	607.96	240.00	847.96
FY 2020-21	717.16	498.00	1,215.16
FY 2021-22	828.35	636.00	1,464.35
FY 2022-23	1,081.89	9,120.43	10,202.32
Total	**3,578.93**	**10,539.43**	**14,118.36**

28.2 Interest accrued but not due comprises of interest accounted on borrowings for which terms of restructuring not yet finalised and management has provided interest in line with sanction letters / major terms negotiated until the finalisation of the restructuring agreement. (Refer Note No. 21.2 (5) and 41)

28.3 Bank Overdraft facilities is secured by Fixed Deposit of Rs. 8.00 Lakh held in Bank.

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
29 Other Current Liabilities		
Trade advances received (Refer Note No. 58)	1,047.45	2,166.75
Statutory Liabilities		
Statutory dues (Refer note below)	506.57	1,627.94
Interest on delayed payment of statutory dues	738.75	1,240.48
Total	3,092.77	5,035.17

Note:
Statutory dues included Tax deducted at sources (TDS), Goods and Service tax (GST), Provident Fund (PF), Profession Tax (PT) and Employee State Insurance Corporation (ESIC) .

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
30 Provision		
Provision for employee benefits (Refer Note No.45)		
Gratuity	-	0.46
Leave encashment	6.04	6.36
Total	6.04	6.82

Notes to the standalone financial statements for the year ended 31st March, 2023

(Rs. in Lakh)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
31 Revenue From Operations		
Free Trade and Warehousing Zone operations		
Consideration on Lease of Land	6.00	1,068.56
Conditional Lease Rent	530.65	2,109.59
Common Infrastructure Income (Refer Note No.58)	1,200.00	-
Business Conducting Fees (Refer Note Nos.51 & 52)	882.83	3,015.09
Total	**2,619.48**	**6,193.34**
32 Other Income		
Interest income on loans to erstwhile subsidiary	174.19	50.23
Interest income on tax refunds	1.23	17.70
Interest income on financial assets carried at amortised cost		
Loan to Subsidiaries	357.15	261.15
Other Non Operating Income		
Financial guarantee income	123.65	458.86
Financial assets carried at amortised cost	3.17	1.57
Net gain on foreign currency transaction and translation	32.41	-
Sundry balances written back (net)	263.72	8.98
Miscellaneous income	-	20.47
Rent concession	3.76	-
Gain on disposal of Property, plant and equipment (net) (Refer Note No. 40)	564.89	-
Total	**1,524.17**	**818.96**
33 Employee Benefits Expense		
Salaries, wages and bonus	1,202.30	1,165.98
Contribution to provident and other funds	26.23	27.04
Share based payments (Refer Note No. 56)	26.35	86.92
Staff welfare expenses	18.39	19.19
Total	**1,273.27**	**1,299.13**
34 Finance Cost		
Interest expense on borrowings	11,853.42	8,325.40
Unwinding Interest on Lease Liabilities (Refer Note No. 46)	78.09	59.14
Interest expense on MSMED vendors (Refer Note no. 44)	0.91	6.24
Interest expense on statutory dues	61.59	250.55
Other borrowing costs	1.12	5.44
	11,995.13	8,646.77
Less: Reversal of interest on statutory dues	(561.13)	-
Total	**11,434.00**	**8,646.77**

Notes to the standalone financial statements for the year ended 31st March, 2023

(Rs. in Lakh)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
35 Depreciation and Amortisation Expense		
Depreciation on Property, Plant and Equipment	624.76	713.46
Depreciation on Right of Use Assets (Refer Note No.46)	150.33	101.94
Amortisation of Intangible Assets	61.53	217.14
Total	**836.62**	**1,032.54**
36 Other Expenses (Refer Note No. 62)		
Electricity charges	103.60	110.41
Rent	-	0.82
Repairs and maintenance:		
- Building	2.08	2.19
- Plant and Machinery	41.79	50.61
- Others	25.59	30.67
Insurance	2.29	3.11
Rates and taxes	3.78	2.49
Communication expenses	9.26	14.00
Travelling and conveyance expenses	8.41	2.72
Vehicle expenses	19.68	20.34
Printing and stationery	5.02	3.44
Legal and professional fees	522.24	54.72
Security charges	49.85	52.24
Auditor's remuneration:		
- Audit Fees	27.00	54.00
- Limited Review Fees	32.00	15.00
Advertisement and Sales Business Promotion expenses	1.38	3.61
Allowance for doubtful debts	299.56	28.58
Bad debts	597.33	1,481.04
Net loss on foreign currency transaction and translation	-	14.55
Director sitting fees	3.50	3.50
Cost Recovery and other Charges	41.52	33.37
Miscellaneous expenses	26.08	34.31
Sundry balance written off (net)	-	4.48
Discarding/written off of Intangible assets under development	-	60.00
Loss on sale of subsidiary	-	1,040.89
Fair value adjustment in respect of capital advances (Refer Note No. 39)	1,442.58	-
Total	**3,264.54**	**3,121.09**
37 Exceptional Items		
Gain on settlement of debts (net) (Refer Note No. 43)	-	47,244.27
Total	**-**	**47,244.27**

Notes to the standalone financial statements for the year ended 31st March, 2023

38 **Contingent Liabilities (to the extent not provided for in respect of):**

(Rs. in Lakh)

S. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
(i)	Disputed Income Tax demands (refer below note a)	8,444.43	8,444.43
(ii)	Disputed Service Tax demands	62.68	62.68
(iii)	Disputed Local Body Tax demands	875.49	160.33
(iv)	Claims against the Company not acknowledged as debts	2,292.48	2,292.48
(v)	Bond cum legal undertaking	5,196.00	5,196.00
(vi)	Bank Guarantees	15.00	15.00

Note:

(a) Income tax demands mainly include the appeals filed by the department before appellate tribunal / High Courts against the order passed by income tax appellate authorities in favour of the Company. The management expects favourable outcome in the said matters and hence no provision has been made in this accounts.

39 The Company has entered into an agreement for purchase of land which is of strategic importance, from a related party. An Agreement to Sale has been entered into and the definitive agreements are in the process of being executed. The said transaction is expected to be completed by December 2023. The purchase consideration has been adjusted against the advance recoverable from the related party of Rs. 4,487.43 Lakh as on 31st March, 2023. Further, the Company has made fair value adjustments amounting to Rs. 1,442.58 lakh during the year against the said advances.

40 The Company had availed loan from a Public Financial Institution (PFI) against security of land situated at Nagpur. On default of loan covenants, the PFI had taken over possession of secured assets i.e. land situated at Nagpur. During the year ended 31st March, 2018, the PFI agreed to settle their outstanding loan constituting principal and interest of Rs. 16,700.00 Lakh by signing of Settlement Terms. Settlement Terms involves payment of Rs. 5,000.00 Lakh and balance amount of Rs. 11,700.00 Lakh, by way of allotment of Optionally Convertible Redeemable Preference Shares - V (OCRPS - V), convertible upto 15,50,000 equity shares of the Company at the option of the PFI and necessary effect has been given in the books of accounts during the year ended 31st March, 2018. As per shareholder approval, on dated 29th January 2018, the Company has approved allotment of 11,70,000 OCRPS – V and the same was converted into 15,50,000 Equity shares on 22nd February, 2018 as per Settlement Terms.

During the pendency of litigation, the PFI has assigned their debts to Edelweiss Asset Reconstruction Company Ltd (EARC) during 31st March, 2019. Upon acknowledgement of receipts of outstanding of Rs 5,000.00 Lakh dues under Settlement Terms, the Court has disposed off the said litigation. In line with High court order, the Company recorded liabilities in the name of EARC for payment made by them to PFI. Pursuant to said assignment of debt, EARC has become the lender and entitled to recover total dues along with interest at contractual rates and other charges. The Company continues to provide interest in line with major terms negotiated with EARC in case of other agreements. With respect to this borrowing, EARC has issued SARFAESI Notice for recovery of dues.

During the year ended 31st March 2023, EARC under SARFAESI process, has sold the said land as informed vide its letter dated 30th May, 2022 for consideration of Rs. 10,300 lakh and accordingly the Company has recorded a gain of Rs 564.89 lakh. Further, details of the allocation of sale proceeds are awaited from EARC and till that time, the said amount is included in other recoverables. Upon receipt of details the Company will give necessary impact in the books of account.

41 During the year ended 31st March, 2019, the Company has defaulted in payment of Rs. 2,000.00 Lakh as per Consent Terms signed with one of the Non-Banking Financial Company (NBFC). During the pendency of litigation, the said NBFC has assigned its debt to Edelweiss Asset Reconstruction Company (EARC) during the year end 31st March, 2020 against payment of outstanding amount under the said Consent Terms. Upon acknowledgement of payment from EARC, the High Court of Bombay disposed off the case. In line with High Court of Bombay order, the Company recorded liabilities in the name of EARC payment made by them to NBFC. Pursuant to said assignment of debt, EARC has become the lender and entitled to recover total dues along with interest at contractual rates and other charges.

The Company continues to provide interest in line with major terms negotiated with EARC until the finalisation of the restructuring agreement. Upon finalization of the terms of restructuring with EARC, the Company shall record the effect of the revised terms as to the repayment of principal and interest (including penal interest) in the period in which it is completed. With respect to this borrowing, EARC has issued SARFAESI Notice for recovery of dues and the matter is under discussion with EARC for debt settlement.

42 **Settlement of Debts**

42.1 During the previous year ended 31st March, 2022, the Company has received Settlement of Debt letter (settlement) dated 4th March, 2022 from Edelweiss Assets Reconstruction Company Limited (EARC) with Cut-off date as on 30th September 2021. EARC has settled its existing dues at Rs. 38,510.00 Lakh as the Settlement Amount. The Company has partially complied with conditions precedent of the settlement. The Company is in discussion with EARC for pending compliances of the conditions precedent, further, there is no communication about revocation of settlement from EARC.

In view of the above, accounting treatment of the settlement has been given in the books during the previous year ended 31st March, 2022. The Company has recorded the gain on settlement as an exceptional item of Rs. 46,698.57 Lakh (comprising of principal of Rs. 21,567.05 Lakh and interest of Rs. 25,131.52 Lakh). Further interest expenses accounted in the books for the nine months ended 31st December 2021 has been reversed during the year ended 31st March 2022. Accordingly, interest expenses of year ended 31st March 2022 has been recorded after giving impact of settlement, hence interest expenses during the previous year ended 31st March 2022 is post net of reversal.

42.2 The Company has defaulted in agreed repayment schedule of original sanction letter dated 27th June, 2017. During the previous year ended 31st March, 2022, the Company has received Settlement of Debt letter (settlement) dated 15th March, 2022 from Axis Bank. Axis Bank has settled its existing dues at Rs. 1,471.41 Lakh as the Settlement Amount.

In view of the above, accounting treatment of the settlement has been given in the books during the previous year ended 31st March, 2022 and the Company has recorded the gain on settlement as an exceptional item of Rs. 656.25 Lakh (comprising of interest).

42.3 The Company has defaulted in agreed repayment schedule as per Consent terms dated 18th December, 2015 with EARC under which existing dues had been settled at Rs. 3,120.00 Lakh.

Notes to the standalone financial statements for the year ended 31st March, 2023

In view of the above, accounting treatment of the settlement has been given in the books during the year ended 31st March, 2016 and the Company has recorded the gain on settlement as an exceptional item of Rs. 5,588.00 Lakh (comprising of interest).

42.4 The Company has defaulted in agreed repayment schedule of original sanction letter dated 26th March, 2019. During the previous year ended 31st March, 2022, the Company has entered Terms of Settlement (settlement) on 4th March, 2022 with a Non Banking Financial Company (NBFC). The NBFC has agreed to settle its existing dues at Rs. 850.00 Lakh as the Settlement Amount.

In view of the above, accounting treatment of the settlement has been given in the books during the previous year ended 31st March, 2022. The Company has recorded the loss on settlement as an exceptional item of Rs. 110.55 Lakh.

43 During the earlier years, the Company had received settlement of debt letter / consent letters in respect of some of the lenders. As per the agreed settlement, the total debt of the said lenders was agreed to be settled at Rs 43,951.41 Lakh. The Company had already given accounting effects of such settlement in the financial statements in the respective earlier period and recognized a gain of Rs. 52,942.51 Lakh as an exceptional item. The Company continues to engage and discuss with all major financial creditors to resolve debts at sustainable levels. The settlements have not been completed for various reasons and also the financial / operational creditors have filed petitions under the provisions of Insolvency and Bankruptcy Code ('IBC'), which are pending before the Hon'ble NCLT. The Company has also received a notice under SARFAESI Act from one of its Lender. The outcome of the settlement of liabilities of the Company is dependent on ongoing discussions with the lenders and based on past discussions, possibilities exist of their settlement. In view of the same, the management is not in a position to determine the fair value of liabilities of the Company at this juncture. Considering the same, the Company continues to account the finance cost and borrowings as per the terms of last settlement issued by the respective financial creditor. The penal / default interest, if any, payable by the Company cannot be ascertained at this stage, therefore, not provided for by the Company.

44 Disclosures under Micro, Small And Medium Enterprises:

(Rs. in Lakh)

Sr. No.	Description	As at 31st March 2023	As at 31st March 2022
a)	Principal amount due and remaining unpaid	237.74	269.95
b)	Interest due thereon remaining unpaid	6.16	13.53
c)	Interest paid by the Company in terms of Section 16 of the MSMED Act, 2016, along with the amount of the payment made to the suppliers beyond the appointed day during the year	-	-
d)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e)	Interest accrued and remaining unpaid	6.16	13.53
f)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the micro and small enterprises.	-	-

Note: Dues to Micro, Small and Medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Company and relied upon by the Auditors.

45 Employee Benefits

45.1 Disclosure pursuant to Indian Accounting Standard (IND AS) 19 – Employee Benefits

(a) Defined Contribution Plan:

Contribution to Defined Contribution Plan, recognised as expenses for the years are as under:

(Rs. in Lakh)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Employer's Contribution to Provident Fund	4.45	4.51
Employer's Contribution to Pension Scheme	10.11	10.24
Employer's Contribution to ESIC	0.25	0.27

(b) Brief descriptions of the plans

The Company's defined contribution plans are Provident Fund and Employees State Insurance where the Company has no further obligation beyond making the contributions. The Company's defined benefit plans include gratuity. The employees are also entitled to leave encashment as per the Company's policy.

(c) Leave Encashment:

(Rs. in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Provision recognised in the Balance Sheet		
Current Provision as at the end of the year	6.04	6.36
Non Current Provision as at the end of the year	17.90	20.34
Provision recognised in the Balance Sheet	23.94	26.70

(d) Defined benefit plan – Gratuity:

The employee's Gratuity Fund is managed by the Life Insurance Corporation of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognised each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up to final obligation.

(Rs. in Lakh)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
I. Actuarial assumptions		
Mortality Table	Indian Assured lives Mortality (2012-14) Ult	Indian Assured lives Mortality (2012-14) Ult
Discount rate	7.30%	6.10%
Expected return on plan assets	5.70%	5.60%

Notes to the standalone financial statements for the year ended 31st March, 2023

Salary Escalation Rate	5.00%	5.00%
Withdrawal Rate	20.00%	20.00%
Retirement Age	58 Years	58 Years
II. Change in Present value of defined benefit obligations		
Provision as at the beginning of the year	80.81	69.86
Interest cost	4.65	3.94
Current service cost	7.92	9.07
Benefits paid	(9.47)	(8.68)
Acquisition adjustments	(4.64)	(0.03)
Actuarial (gain)/loss on obligations	(4.44)	6.65
Provision as at the end of the year	74.83	80.81
III. Change in Fair value of plan assets		
Fair value of plan assets as at the beginning of the year	19.12	18.10
Expected return on plan assets	1.17	1.02
Actual Enterprise's Contributions	-	-
Benefits paid	-	-
Actuarial gain/(loss) on plan assets	-	-
Fair value of plan assets as at the end of the year	20.29	19.12
IV. Actual return on plan assets		
Expected return on plan assets	1.17	1.02
Actuarial gain/(loss) on plan assets	-	-
Actual return on plan assets	1.17	1.02
V. Provision recognised in the Balance Sheet		
Provision as at the end of the year	74.83	80.81
Fair value of plan assets as at the end of the year	20.29	19.12
Provision recognised in the Balance Sheet	54.54	61.69
VI. Percentage of each category of plan assets to total fair value of plan assets		
Insurer managed funds	100%	100%
VII. Amount recognised in the Statement of Profit and Loss		
Current service cost	7.92	9.07
Interest cost	4.65	3.94
Expected return on plan assets	(1.17)	(1.02)
Net actuarial (gain)/loss to be on obligation	-	-
Expense recognised in Statement of Profit and Loss	11.40	11.99
VIII. Amount recognised in the Other Comprehensive Income (OCI)		
Due to Change in financial assumptions	(2.87)	(1.35)
Due to Change in demographic assumption	-	0.04
Due to Change in experience assumption	(1.57)	7.96
Expected return on plan assets	-	-
Total remeasurement recognised in OCI	(4.44)	6.65
IX. Balance Sheet reconciliation		
Opening net provision	61.69	51.76
Expenses recognised in Profit & Loss	11.40	11.99
Actual Employer Contribution	(9.47)	(8.68)
Acquisition adjustments	(4.64)	(0.03)
Total Remeasurement recognised in OCI	(4.44)	6.65
Closing net provision	54.54	61.69

Notes to the standalone financial statements for the year ended 31st March, 2023

(e) Salary escalation assumption has been set in discussions with the enterprise based on their estimates of overall long-term salary growth rates after taking into consideration expected earnings inflation as well as performance and seniority related increases.

45.2 Sensitivity analysis:

(Rs. in Lakh)

Particulars	Changes in assumptions	Effect on Gratuity obligation
For the year ended 31st March, 2023		
Salary growth rate	+0.50%	76.03
	-0.50%	73.64
Discount rate	+0.50%	73.67
	-0.50%	76.01
For the year ended 31st March, 2022		
Salary growth rate	+0.50%	82.29
	-0.50%	79.37
Discount rate	+0.50%	79.39
	-0.50%	82.28

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognised in the balance sheet.

These plans typically expose the Company to actuarial risks such as: longevity risk and salary risk.

(a) Interest risk - A decrease in the discount rate will increase the plan provision.

(b) Longevity risk - The present value of the defined benefit plan provision is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants. As such, an increase the plan's provision.

(c) Salary risk - The present value of the defined plan provision is calculated by reference to the future salaries of plan participants. As such, as increase in the salary of the plan participants will increase the plan's provision.

45.3 The weighted average duration of the defined benefit obligation at the end of the reporting period is 3 years (31st March, 2022 - 3 years).

46 Ind AS 116 'Leases'

(i) Movement of carrying value of right of use of assets

(Rs. in Lakh)

Particulars	Building	Plant & Machinery	Furniture & Fixtures
Balance as at 1st April 2021	-	69.47	98.60
Add: Addition during the year	521.36	25.07	-
Less: Modification during the year	-	-	-
Less: Depreciation charge for the year	(56.53)	(28.71)	(16.70)
Balance as at 31st March 2022	464.83	65.83	81.90
Add: Addition during the year	-	-	-
Less: Modification during the year	-	-	-
Less: Depreciation charge for the year	(104.22)	(29.41)	(16.70)
Balance as at 31st March 2023	360.61	36.42	65.20

(ii) Movement of Lease liabilities

(Rs. in Lakh)

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Opening Balance	662.61	177.54
Add: Addition during the year	-	527.50
Add: Interest expenses on unwinding lease liabilities	78.09	59.14
Less: Payment of lease liabilities	(197.69)	(101.57)
Less: Modification during the year	-	-
Closing Balance	543.01	662.61

Notes to the standalone financial statements for the year ended 31st March, 2023

(iii) **Maturity analysis of lease liabilities on undiscounted basis and breakup of lease liabilities included in the Balance Sheet**

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Future Non-Cancellable minimum lease commitments		
Within one year	196.90	198.59
More than one year but not less than five years	477.11	673.01
More than five years	-	1.00
Total undiscounted lease liabilities	**674.01**	**872.60**
Lease liabilities included in the Balance sheet		
Current Lease liabilities	144.90	165.91
Non-current Lease liabilities	398.11	496.70
Total	**543.01**	**662.61**

47 **Preparation of financial statements on " Going Concern" basis**

The management believes that Government's focus on significant policy reform for logistics infrastructure sector, which is currently one of the fastest growing sector, will help the company to expand its business. The amendments in the SEZ policy and the recent National Logistic Policy (NLP), will enable the Company to offer additional value propositions to its clients. These macro factors coupled with other economic benefits will improve the Company's ability to expand the client base multi-fold.

The management's plan as a developer of the FTWZ business is based on asset light business model through monetization, to improve cashflow of the Company. Monetisation will happen periodically and in a staggered manner. Pursuant to the Framework Agreement, Ascendas will provide capital cushion for future growth. The Company expects similar valuation for warehouses in line with valuations offered earlier by Ascendas. In addition to the above, various resource optimization initiatives undertaken by the Company, will lead to stabilization and revival. Therefore, the Company continues to prepare the financial statements on Going Concern basis.

48 During the previous year ended 31st March 2022, Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') has approved the Scheme of Arrangement ('Scheme') vide its order dated 21st January 2022 ('Order'). Assets and liabilities pertaining to domestic business has been demerged from the Company into the Resulting company i.e. Arshiya Rail Infrastructure Limited (name subsequently changed to NCR Rail Infrastructure Limited). Post NCLT Order, one of the lenders has filed an appeal against the said Order before the Hon'ble National Company Law Appellate Tribunal ('NCLAT / Appellate Tribunal'), Delhi. The Appellate Tribunal by its order dated 4th March 2022, ordered to maintain 'status quo' in the matter. The Company has filed an application seeking vacation of the ad-interim stay order dated 4th March 2022 praying the Appellate Tribunal to allow the Company to complete the formalities such as allotment and listing of the shares of the Resulting Company. As the scheme is in the interest of stakeholders of both the companies and based on the legal opinion and advice, the Company has continued to prepare the financial statement since previous year ended 31st March, 2022 after giving accounting effects of the approved scheme by the NCLT.

49 **Maharashtra VAT Refund Receivable**

As per the Notification dated 16th May, 2013 issued by Government of Maharashtra, MVAT exemption /refund is available to SEZ Developer after 15th October, 2011 (record date). However, the Company has claimed refund of Rs.1,684.55 Lakh in respect of transactions prior to record date, as the Company is of the view that the State Government has exempted it from Local taxes, levies and duties on goods required for authorized operations by a Developer vide GR dated 12th October, 2001 passed by Industries, Energy and Labour Department, Government of Maharashtra. The Company has filed an appeal before High Court of Bombay challenging the Constitutional validity of MVAT on various grounds and has claimed refund of Rs.1,108.80 Lakhs. The Appeal has been admitted, issues are framed and final hearing is pending. Further MVAT refund claim of Rs. 575.75 Lakhs is pending with Sales Tax Department as the matter is of similar case. Accordingly, these financial statements reflect a sum of Rs.1,684.55 Lakhs as refund receivable on account of MVAT. In case the refund is not granted, the necessary adjustment entries shall be recorded in the year in which finality is reached.

50 The Company's activities during the year revolve around "Developing and Operating Free Trade & Warehousing Zone (FTWZ) and Special Economic Zone (SEZ)" within India. Considering the nature of the Company's business and operations, as well as, based on reviews of operating results by the chief operating decision maker there is only one reportable segment in accordance with the requirement of Ind AS 108 "Operating Segment" prescribed under Companies (Indian Accounting Standards) Rules 2015.

50.1 **Entity-wide disclosure required by IND AS 108 are made as follows:**

(a) **Revenue from external sales and services**

(Rs. In Lakh)

Geography	Year Ended 31st March, 2023	Year Ended 31st March, 2022
India	2,619.48	6,193.34
Outside India	-	-
Total	2,619.48	6,193.34

(b) **Segment Assets**

All assets are within India only.

50.2 **Information about major customers:**

Revenues from three customers aggregating to Rs. 2,616.48 Lakh (31st March, 2022 Rs. 5,679.09 Lakh) exceeds 10% or more.

Notes to the standalone financial statements for the year ended 31st March, 2023

51 The Company has entered into Business Conducting and Services Agreement with Arshiya Lifestyle Limited (ALL) (wholly owned subsidiary) in relation to operation of Six Warehouses taken on sub-lease from Ascendas Panvel FTWZ Limited ("APFL") and operation of Container Yard and Open Yard owned by the Company. The aforesaid Business Conducting and Services Agreement is to be read in the overall context of Lease Deed dated 3rd February, 2018, Sub-Lease Deed dated 3rd February, 2018 and other agreements and documents entered into in connection with lease of Six Warehouses by the Company, being owner, to APFL and Sub-Lease of the said Six Warehouses by APFL to ALL and transfer of all rights and obligations under the Existing Unit Holder Agreements entered into by the Company to and in favour of ALL. The Company for the administration and operational expediency entrusted ALL to carry out operating and managing the open yard, the container yard and warehouses whereby ALL agreed to undertake and conduct the business of operating and managing the open yard and the container yard and warehouses and provide other services by utilizing the infrastructure facilities provided by the Company. ALL shall also receive all the incomes generated from the warehouses and storage yard, bearing the cost and expenses to operate and maintain the warehouses and storage yard. Pursuant to the aforesaid Business Conducting and Services Agreement, the ALL will pay 99% of excess revenue / Total Income over all the expenses / charges / provisions to the Company as Business Conducting Fees. Accordingly, the Company has recognised as Business Conducting fees Rs. 583.60 Lakh during the year ended 31st March, 2023 (31st March 2022 - Rs. 2,503.84 Lakh).

52 The Company has entered into Business Conducting and Services Agreement with Arshiya Panvel FTWZ Services Private Limited (APFTWZ) in relation to operation of Warehouses 07 taken on sub-lease from Anomalous Infra Private Limited ("APIL") and operation of Container Yard and Open Yard owned by the Company. The aforesaid Business Conducting and Services Agreement is to be read in the overall context of Lease Deed dated 26th July, 2019 and addendum dated 28th March, 2022, Sub-Lease Deed dated 28th March, 2022 and other agreements and documents. The Company for the administration and operational expediency entrusted APFTWZ to carry out operating and managing the open yard, the container yard and warehouses whereby APFTWZ agreed to undertake and conduct the business of operating and managing the open yard and the container yard and warehouses and provide other services by utilizing the infrastructure facilities provided by the Company. APFTWZ shall also receive all the incomes generated from the warehouses and storage yard, bearing the cost and expenses to operate and maintain the warehouses and storage yard. Pursuant to the aforesaid Business Conducting and Services Agreement, the APFTWZ will pay 99% of excess revenue / Total Income over all the expenses / charges / provisions to the Company as Business Conducting Fees. Accordingly, the Company has recognised as Business Conducting fees Rs. 299.23 Lakh during the year ended 31st March, 2023 (31st March 2022 - Rs. 511.25 Lakh).

53 Investment & other exposure in subsidiaries (including erstwhile subsidiary)

(a) The Company had issued a corporate guarantee of Rs. 28,450.00 Lakh in favour of the lenders of Arshiya Northern FTWZ Limited ("ANFL"), a subsidiary Company. The Company has non-current investment in ANFL and extended loans to ANFL amounting to Rs. 44,625.29 Lakh and Rs. 12,815.22 Lakh, respectively. The lenders had invoked the corporate guarantee given by the Company. The Corporate Insolvency Resolution Process (CIRP) has been commenced for ANFL. However, it has not reached to the stage of receipt of plans from the Resolution Applicants. ANFL being a MSME, the Company has also participated in the resolution process of ANFL. The fair value of assets and liabilities of ANFL are likely to be determined on approval by NCLT of the acceptable Resolution Plan to the lenders. Based on advice received by the Company, further reassessment of valuation of assets or its impairment, by the Company may be considered in-appropriate as it may appear to be prejudiced and unfair on the part of Company, at this stage of the CIRP process. These will eventually be ascertained at the time of acceptance of the Resolution Plan by the NCLT. Accordingly, provisions for claims under corporate guarantees issued by the Company in favour of lenders of ANFL and provision for impairment of the Company's investment in and loan to ANFL are undeterminable at this juncture and shall be reviewed based on outcome of the pending CIRP process of ANFL.

(b) The Company has issued financial guarantees aggregating to Rs. 93,900 Lakh to the lenders of subsidiaries other than ANFL and an erstwhile subsidiary company. The said companies had defaulted in repayment of dues to lenders. In the opinion of the management, the value of primary / underlying assets provided as securities by the borrowing companies is higher than the estimated amount of restructured loans and hence in view of the management no additional liability is expected to devolve on the Company on resolution of debt. In view of the above, no provision on account of the same is made at this stage.

(c) The Company had given guarantees to a lender of Rs. 18,500 lakh on behalf of Mira Supply Chain Management Private Limited when it was subsidiary till January 2018, of the Company. The Company charged guarantee commission @ 0.5% per annum on outstanding loan amount of Rs. 2,965.11 Lakh as on 31st March, 2023. Further, the said company has defaulted in repayment of its dues to the lenders.

(d) During the year ended 31st March, 2023, the Company has provided impairment for deemed investment in subsidiaries aggregating to Rs 5,483.40 lakh.

54 The Company has entered into Share Purchase Agreement and extension till 31st December, 2023 with Ascendas Property Fund (India) Pte. Ltd. ('Ascendas') for sale of entire equity shares in Arshiya Northern Projects Private Limited ('ANPPL') upon fulfilment of certain conditions precedent and is subject to various corporate and statutory approvals. Hence, investment in ANPPL has been considered as Investment held for sale and discontinued operation as per Ind AS 105 "Non-Current Assets Held for Sale and Discontinued Operations".

55 During the previous year ended 31st March 2022, the Company has sold its investment in 100% shares of Anomalous Infra Private Limited (AIPL) which owns a 3.25 Lakh square feet warehouse at the Arshiya Free Trade Warehousing Zone, Panvel to Ascendas Property Fund Trustee Pte. Limited ("Ascendas"), this operational warehouse is the seventh warehouse acquired by APFI from Arshiya group. It comprises, inter alia, additional deferred consideration of up to Rs. 2,122.60 Lakh to be paid over the next four years, subject to the achievement of certain performance milestones as per transaction documents.

Similar to the previous arrangement for the six acquired warehouses by APFI, this newly acquired seventh warehouse is also operated by a step-down subsidiary of the Company for a period of six years which will continue to give the Company a spread on lease revenue as well as additional Value-added services (VAS) income over and above the payout received by the above monetisation.

Notes to the standalone financial statements for the year ended 31st March, 2023

56 **Share Based Payments**

The Board of Directors of the Company have approved grant of 4,00,000, 8,00,000 and 20,00,000 Employee Stock Options to some of the eligible and deserving employees of the Company under the Scheme of Arshiya Limited Employees Stock Option Scheme, 2019 (hereinafter referred to as the "Scheme, 2019") on 30th June 2021, 13th November, 2021 and 30th May, 2022 respectively.

The fair value of stock options has been determined at the date of grant of the stock options. This fair value, adjusted by the Company's estimate of the number of stock options that will eventually vest, is expensed over the vesting period.

The fair values were calculated using the Black-Scholes Call Option Pricing Model for tenure based stock options. The inputs to the model include the share price based on the market price at date of grant, exercise price, expected life of options, annual volatility, expected dividends and the risk free rate of interest. Annual volatility has been calculated using median of comparable peers (to the extent data available). All options are assumed to be exercised within 1 year from the date of vesting period.

The assumptions used in the calculations of the charge in respect of the stock options granted are set out below:

Particulars	ESOP 2019	ESOP 2019	ESOP 2019
No. of Options	4,00,000	8,00,000	20,00,000
Exercise Price (in Rs.)	2.00	2.00	2.00
Stock Price (In Rs.)	34.30	31.00	34.30
Implied Volatility (in %)	64.50%	64.50%	64.52%
Average Risk free rate (in %)	4.09%	4.16%	5.20%
Time of Maturity (in Years)	1.00	1.00	1.00
Dividend Yield (in %)	0%	0%	0%
Average Fair value of Options (in Rs.)	32.38	29.08	19.07
Option Granted Date	30th June, 2021	13th November, 2021	30th May, 2022
Vesting Date	30th June, 2022	13th November, 2022	30th May, 2023

Based on the above, the Company recognized total expenses of Rs. 26.35 lakhs (31st March, 2022- Rs. 86.92 lakh) [net off amount transferred to subsidiaries Rs. 179.37 lakhs for year ended 31st March 2023 (31st March, 2022 - Rs. 260.75 lakhs)] related to above equity settled share-based payment transactions.

During the year ended 31st March 2023, the Company has allotted 12,00,000 equity shares to eligible employees upon exercised under the Arshiya Limited Employee Stock Option Scheme 2019.

Movement of share options during the year as below:

(In Numbers)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Opening Balance	**32,00,000**	-
Add: Options granted	-	32,00,000
Less: Options Lapsed	(8,00,000)	-
Less: Options exercised	(12,00,000)	-
Closing Balance	**12,00,000**	**32,00,000**

57 **Earnings per share:**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
(Loss)/ Profit for the year (Rs. in Lakh)	(18,148.18)	40,157.04
Add: Share based payment	26.35	86.92
Total (Loss)/ Profit for the year for diluted EPS (Rs. in Lakh)	(18,121.83)	40,243.96
Number of equity shares		
Weighted average number of equity shares (Number)	26,27,29,614	26,22,75,915
Add: Employee Stocks Options (ESOP)	10,74,148	29,89,098
Total Weighted average number of equity shares/ESOP	26,38,03,762	26,52,65,013
Nominal value per share (Amount in Rs.)	2.00	2.00
Earnings per share (Amount in Rs.)		
Basic	(6.91)	15.31
Diluted	(6.91)	15.17

ESOP has an anti-diluting effect on earnings per share hence have not been considered for the purpose of computing dilutive earnings per share for the year ended 31st March, 2023.

Notes to the standalone financial statements for the year ended 31st March, 2023

58 Related party disclosures, as required by Indian Accounting Standard 24 "Related Party Disclosures" (IND AS-24) and Indian Accounting Standard 112 "Disclosure of Interests in Other Entities" (IND AS-112) as given below:

S. No.	Name of the entity	Country of Incorporation	Proportion of interest (including beneficial interest)/voting power (either directly/indirectly or through subsidiaries)	
			31st March, 2023	31st March, 2022
	Direct Subsidiaries:			
(i)	Arshiya Northern FTWZ Limited	India	100%	100%
(ii)	Arshiya Technologies (India) Private Limited	India	100%	100%
(iii)	Arshiya Lifestyle Limited	India	100%	100%
(iv)	Arshiya Logistics Services Limited	India	100%	100%
(v)	Anomalous Infra Private Limited (till 28th March, 2022)	India	Nil	Nil
(vi)	Arshiya Northern Projects Private Limited	India	100%	100%
(vii)	Arshiya Infrastructure Developers Private Limited	India	100%	100%
(viii)	Unrivalled Infrastructure Private Limited	India	100%	100%
(ix)	Arshiya Data Centre Private Limited	India	100%	100%
(x)	AMD Business Support Services Private Limited (w.e.f. 9th April, 2020 to 13th August, 2021)	India	Nil	Nil
	Indirect Subsidiaries:			
	Held through Arshiya Logistics Services Limited:			
(xi)	Arshiya 3PL Services Private Limited	India	100%	100%
(xii)	Arshiya Panvel Logistics Services Private Limited	India	100%	100%
(xiii)	Arshiya Distribution Hub Private Limited	India	100%	100%
	Held through Arshiya Lifestyle Limited:			
(xiv)	Arshiya Panvel FTWZ Services Private Limited	India	100%	100%

(I) Key Management Personnel
Mr. Ashish Bairagra - Independent Director
Mr. Rishabh Shah - Independent Director
Mr. Tara Sankar Bhattacharya - Independent Director (till 27th June, 2020)
Mr. Ved Prakash - Independent Director (w.e.f. 27th June, 2020)
Mrs. Manjari Ashok Kacker - Independent Director (till 1st November, 2021)
Mr. Ajay S Mittal - Chairman and Managing Director (also having significant influence)
Ms. Archana A Mittal - Joint Managing Director (also having significant influence)
Mr. Dinesh Kumar Sodani - Chief Financial Officer
Mr. Ajit Dabholkar - Company Secretary and Compliance Officer (w.e.f. 14th February, 2023)
Ms. Kunjal Parekh - Company Secretary and Compliance Officer (till 14th November, 2022 to 31st December, 2022)
Ms. Ratika Gandhi - Company Secretary and Compliance Officer (till 4th June, 2022)

(II) Relative of Key Management Personnel
Mr. Ananya Mittal – Corporate Strategy Officer (Arshiya Group)

(III) Enterprise owned or significantly influenced by key management personnel or their relatives
Laxmipati Balaji Supply Chain Management Limited
NCR Rail Infrastructure Limited (Formerly known as Arshiya Rail Infrastructure Limited) (Refer Note No. 40)
AMD Business Support Services Private Limited (w.e.f. 14th August, 2021)

The nature and amount of transactions with the above related parties are as follows

(Rs. in Lakh)

Nature of transactions	Name of the Party	31st March, 2023	31st March, 2022
Revenue from operations (including business conducting fees)	Arshiya Lifestyle Limited	1,783.60	2,503.84
	Arshiya Panvel FTWZ Services Private Limited	299.23	511.35
	Anomalous Infra Private Limited	-	3.00
	Arshiya Data Centre Private Limited	-	3.00
Income billed to customer on behalf of the Subsidiary Company	Arshiya Lifestyle Limited	210.85	231.85
Advance Finance Lease Income	Arshiya Data Centre Private Limited	-	1,059.66
Interest income	AMD Business Support Services Private Limited	174.16	50.23
Unwinded interest income on Loan to subsidiaries	Arshiya Lifestyle Limited	292.11	200.82
	Arshiya Panvel FTWZ Services Private Limited	65.03	9.34
Financial Guarantees Income	NCR Rail Infrastructure Limited	-	306.28
	Arshiya Northern FTWZ Limited	-	56.06
	Arshiya Lifestyle Limited	46.38	75.98
	Arshiya Panvel FTWZ Services Private Limited	62.29	6.55
Reimbursement/Allocation of common costs and expenses recovered (Refer Note No. 56 & 62)	NCR Rail Infrastructure Limited	170.34	172.46
	Arshiya Northern FTWZ Limited	89.40	135.12
	Arshiya Lifestyle Limited	321.63	357.14
	Anomalous Infra Private Limited	-	6.85
	Arshiya Data Centre Private Limited	119.58	247.90
	Arshiya Panvel Logistics Services Private Limited	-	45.02
	Laxmipati Balaji Supply Chain Management Limited	13.08	23.96
Lease rent expense	Arshiya Northern FTWZ Limited	57.76	57.76
	NCR Rail infrastructure Limited	6.00	5.00
Electricity expense	Laxmipati Balaji Supply Chain Management Limited	96.58	106.47

(Rs. in Lakh)

Nature of transactions	Name of the Party	31st March, 2023	31st March, 2022
Remuneration paid to Key Managerial Person**	Mr. Dinesh Kumar Sodani	56.16	53.97
	Mr. Ajit Dabholkar	5.65	-
	Ms. Kunjal Parekh	1.61	-

Notes to the standalone financial statements for the year ended 31st March, 2023

	Ms. Ratika Gandhi	4.61	23.32
Loans and advances given	Arshiya Northern FTWZ Limited	523.83	329.06
	Arshiya Technologies (India) Private Limited	1.33	0.59
	Arshiya Logistics Services Limited #	1,431.52	590.10
	Anomalous Infra Private Limited	-	7.66
	Unrivalled Infrastructure Private Limited	1.87	3.10
	Arshiya Infrastructure Developers Private Limited	1.76	0.42
	Arshiya Northern Projects Private Limited	2.73	5.67
	Arshiya Panvel FTWZ Services Private Limited	45.00	3,105.44
	Arshiya Panvel Logistics Services Private Limited	169.07	124.64
	Arshiya Data Centre Private Limited	0.69	7.00
	Arshiya 3PL Services Private Limited	27.77	6.37
	Arshiya Distribution Hub Private Limited	0.06	-
	NCR Rail Infrastructure Limited	315.23	-
	AMD Business Support Services Private Limited	3,031.94	1,335.67
Loans and advances given repaid/adjusted	Arshiya Northern FTWZ Limited	2,483.57	447.09
	Arshiya Technologies (India) Private Limited	0.20	-
	Arshiya Logistics Services Limited #	1,431.52	590.10
	Anomalous Infra Private Limited	-	7.66
	Unrivalled Infrastructure Private Limited	0.20	-
	Arshiya Infrastructure Developers Private Limited	0.20	-
	Arshiya Northern Projects Private Limited	-	-
	Arshiya Panvel FTWZ Services Private Limited	969.30	171.85
	Arshiya Panvel Logistics Services Private Limited	206.08	132.65
	Arshiya Data Centre Private Limited	0.20	6.00
	Arshiya 3PL Services Private Limited	25.26	179.77
	Arshiya Distribution Hub Private Limited	0.06	-
	NCR Rail Infrastructure Limited	315.23	-
	AMD Business Support Services Private Limited	183.26	18.00
Loans and advances taken	Mr. Ajay S Mittal	79.73	289.81
	Ms. Archana A Mittal	148.59	144.80
	NCR Rail Infrastructure Limited	-	553.14
Loans and advances taken repaid/adjusted	Mr. Ajay S Mittal	38.32	235.10
	Ms. Archana A Mittal	73.90	335.31
	NCR Rail Infrastructure Limited	-	460.10
Debts adjusted against invoked shares sold	Ms. Archana A Mittal	876.63	-
Assignment of Loan taken *	NCR Rail Infrastructure Limited	4,477.43	2,432.09
Assignment of Loan given*	AMD Business Support Services Private Limited	4,477.43	2,432.09
Capital advance given	NCR Rail Infrastructure Limited	4,477.43	-
Fair value adjustment on capital advance given (Refer note no. 39)	NCR Rail Infrastructure Limited	1,442.58	-
Security deposit given	Laxmipati Balaji Supply Chain Management Limited	19.00	-
Security deposit received back	Laxmipati Balaji Supply Chain Management Limited	19.00	-
Deemed Equity in Subsidiary	Arshiya Lifestyle Limited	-	750.18
Impairment of deemed equity in subsidiary	Arshiya Northern FTWZ Limited	696.95	-
	Arshiya Lifestyle Limited	2,137.05	-
	Arshiya Data Centre Private Limited	2,649.40	-
Disposed of Investment in Subsidiary sold to	NCR Rail Infrastructure Limited	-	1.00
Corporate guarantees given	Arshiya Lifestyle Limited	-	589.65
	Arshiya Panvel FTWZ Services Private Limited	-	13,313.91
Corporate guarantees reduced	Arshiya Lifestyle Limited	6,440.01	6,067.48
	Arshiya Panvel FTWZ Services Private Limited	1,833.61	15.06
	Anomalous Infra Private Limited	-	7,000.00

As per the arrangements, inter-alia, entered into between the Company, Arshiya Logistics Services Limited (ALSL) and Arshiya Lifestyle Limited (ALL), the balance payable to ALSL has been adjusted against balance receivable to ALL and the net payable to ALL has been disclosed.

*Loan given to AMD Business Support Services Private Limited is assigned to NCR Rail Infrastructure Limited which is 100% wholly own subsidiary of NCR Rail Infrastructure Limited through assignment agreements.

Notes to the standalone financial statements for the year ended 31st March, 2023

Closing Balances (Rs. in Lakh)

Nature	Related Party	As at 31st March, 2023	As at 31st March, 2022
Loans and advances given	Arshiya Northern FTWZ Limited	12,815.23	14,705.57
	Arshiya Technologies (India) Private Limited	7.61	6.48
	Arshiya Lifestyle Limited	5,786.73	5,494.62
	Unrivalled Infrastructure Private Limited	4.77	3.10
	Arshiya Infrastructure Developers Private Limited	3.23	1.67
	Arshiya Northern Projects Private Limited	16.20	13.47
	Arshiya Panvel FTWZ Services Private Limited	2,114.32	2,973.59
	Arshiya Panvel Logistics Services Private Limited	-	37.01
	Arshiya Data Centre Private Limited	13.02	11.53
	Arshiya 3PL Services Private Limited	5.38	2.87
	AMD Business Support Services Private Limited	-	1,404.33
	Total	**20,765.49**	**24,654.24**
Trade receivables	Arshiya Data Centre Private Limited	13,064.16	13,064.16
Interest Receivables	AMD Business Support Services Private Limited	-	50.23
Advance from customer	Arshiya Lifestyle Limited	1,847.45	2,166.75
Capital advance	NCR Rail Infrastructure Limited	3,034.85	-
Advance to supplier	Laxmipati Balaji Supply Chain Management Limited	17.97	-
Other recoverable	Laxmipati Balaji Supply Chain Management Limited	13.08	293.79
Loans taken (including amount towards invocation of equity shares by the lenders. Refer note no. 25.2)	Mr. Ajay S Mittal	173.20	131.78
	Ms. Archana A Mittal	972.14	20.81
Personal guarantees taken	Mr. Ajay S Mittal	2,02,470.00	2,02,470.00
	Ms. Archana A Mittal	1,92,470.00	1,92,470.00
Financial Guarantee Obligations	NCR Rail Infrastructure Limited	309.98	309.88
	Arshiya Northern FTWZ Limited	56.05	56.05
	Arshiya Lifestyle Limited	13.08	59.44
	Arshiya Panvel FTWZ Services Private Limited	151.51	213.80
Investment in subsidiaries (Refer Note No. 7)	Arshiya Northern FTWZ Limited	44,625.29	44,625.29
	Arshiya Technologies (India) Private Limited	2.00	2.00
	Arshiya Lifestyle Limited	14.85	14.85
	Arshiya Logistics Services Limited	155.50	155.50
	Arshiya Infrastructure Developers Private Limited	1.00	1.00
	Unrivalled Infrastructure Private Limited	1.00	1.00
	Arshiya Data Centre Private Limited	1.00	1.00
	Total	**44,800.64**	**44,800.64**
Deemed Equity (Refer Note No.7)	Arshiya Northern FTWZ Limited	-	696.96
	Arshiya Lifestyle Limited	622.32	2,759.36
	Arshiya Data Centre Private Limited	-	2,649.40
	Total	**622.32**	**6,105.72**
Assets held for sale (Refer Note No. 18)	Investment in Subsidiary		
	Arshiya Northern Projects Private Limited	5.00	5.00
Corporate guarantees/securities issued to	Arshiya Northern FTWZ Limited	28,450.00	28,450.00
	NCR Rail Infrastructure Limited	75,400.00	75,400.00
	Arshiya Lifestyle Limited	5,817.31	12,257.32
	Arshiya Panvel FTWZ Services Private Limited	11,465.24	13,298.85
Corporate guarantees/securities received from	NCR Rail Infrastructure Limited Arshiya Northern FTWZ Limited	600.00	600.00

**As the liabilities for defined benefit plans are provided on actuarial basis for all the employees, the amounts pertaining to Key Management Personnel are not separately identified and hence not included.

Transactions with related parties in the nature of rendering of services, finance lease income, procurement of services and purchase of assets are at arm's length price.

Notes to the standalone financial statements for the year ended 31st March, 2023

59 Loans and Advances in the nature of Loans to Subsidiaries and Loans to Company in which directors are interested (Pursuant to the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015):

Loans and Advances to Subsidiaries and Related Party

(Rs. in Lakh)

Name of the Subsidiary & Related Party	Year	Amount outstanding as on March 31,	Maximum amount outstanding during the year	% of total loans and advances
Arshiya Northern FTWZ Limited	2023	12,815.23	14,733.28	61.71%
	2022	14,705.57	14,705.57	59.65%
Arshiya Technologies (India) Private Limited	2023	7.61	7.62	0.04%
	2022	6.48	6.48	0.03%
Arshiya Lifestyle Limited	2023	5,786.73	6,060.33	27.87%
	2022	5,494.62	6,060.33	22.29%
Anomalous Infra Private Limited	2023	-	-	0.00%
	2022	-	7.31	0.00%
Unrivalled Infrastructure Private Limited	2023	4.77	4.78	0.02%
	2022	3.10	3.10	0.01%
Arshiya Infrastructure Developers Private Limited	2023	3.23	3.23	0.02%
	2022	1.67	1.67	0.01%
Arshiya Northern Projects Private Limited	2023	16.20	16.20	0.08%
	2022	13.47	13.47	0.05%
Arshiya Panvel FTWZ Services Private Limited	2023	2,114.32	3,545.68	10.18%
	2022	2,973.59	3,632.50	12.06%
Arshiya Panvel Logistics Services Private Limited	2023	-	49.93	0.00%
	2022	37.01	37.07	0.15%
Arshiya Data Centre Private Limited	2023	12.02	12.03	0.06%
	2022	11.53	17.13	0.05%
Arshiya 3PL Services Private Limited	2023	5.38	9.20	0.03%
	2022	2.87	176.50	0.01%
Arshiya Distribution Hub Private Limited	2023	-	0.06	0.06%
	2022	-	-	0.00%
NCR Rail Infrastructure Limited	2023	-	25.34	0.00%
	2022	-	-	0.00%
AMD Business Support Services Private Limited	2023	-	3,409.33	0.00%
	2022	1,404.33	3,836.42	5.70%
Total	2023	20,765.49		100.00%
	2022	24,654.24		100.00%

60 Details of loans given, investments made and guarantees given covered under Section 186(4) of the Companies Act, 2013:

(a) Details of investments made have been given as part of Note No. 7

(b) Loans and Financial Guarantees given below:

Name of the Company	Relationship	Nature of transaction	As at 31st March, 2023	As at 31st March, 2022
Arshiya Northern FTWZ Limited	Subsidiary Company	Loan given	12,815.23	14,705.57
		Corporate Guarantee given	28,450.00	28,450.00
Arshiya Technologies (India) Private Limited	Subsidiary Company	Loan given	7.61	6.48
Arshiya Lifestyle Limited	Subsidiary Company	Loan given	5,786.73	5,494.62
		Corporate Guarantee given	5,817.31	12,257.32
Anomalous Infra Private Limited	Subsidiary Company	Loan given	-	-
Unrivalled Infrastructure Private Limited	Subsidiary Company	Loan given	4.77	3.10
Arshiya Infrastructure Developers Private Limited	Subsidiary Company	Loan given	3.23	1.67
Arshiya Northern Projects Private Limited	Subsidiary Company	Loan given	16.20	13.47
Arshiya Panvel FTWZ Services Private Limited	Fellow Subsidiary Company	Loan given	2,114.32	2,973.59
		Corporate Guarantee given	11,465.24	13,298.85
Arshiya Panvel Logistics Services Private Limited	Fellow Subsidiary Company	Loan given	-	37.01
Arshiya Data Centre Private Limited	Subsidiary Company	Loan given	12.02	11.53
Arshiya 3PL Services Private Limited	Fellow Subsidiary Company	Loan given	5.38	2.87
Arshiya Distribution Hub Private Limited	Fellow Subsidiary Company	Loan given	-	-
NCR Rail Infrastructure Limited	Erstwhile Subsidiary Company	Loan given	-	-
		Corporate Guarantee given	75,400.00	75,400.00
AMD Business Support Services Private Limited	Fellow Subsidiary Company	Loan given	-	1,404.33
Mira Supply Chain Management Private Limited	Erstwhile Subsidiary Company	Corporate Guarantee given	18,500.00	18,500.00

Loan and guarantee is given for commercial and corporate purpose.

Notes to the standalone financial statements for the year ended 31st March, 2023

61 Taxation

61.1 Tax Reconciliation

(Rs. in Lakh)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Reconciliation of tax expense		
(Loss) / Profit before tax	(18,148.18)	40,157.04
Enacted income tax rate (%) applicable to the Company	25.17%	25.17%
Tax expenses calculated at enacted income tax rate	(4,567.53)	10,106.72
Related to Property, Plant & Equipment	153.76	193.20
Effect of Expenses that are not deductible in determining taxable profit	4,571.27	1,298.97
Effect of Income that are not considered in determining taxable profit	(341.68)	(11,748.57)
Effect of unused Tax Losses	184.18	149.68
Income tax expense recognised in statement of profit and loss	-	-

61.2 The Company has not recognised any deferred tax assets on deductible temporary differences, unused tax losses as it is not probable that the Company will have sufficient future taxable profit which can be available against the available tax losses.

61.3 Unused tax losses for which no deferred tax assets has been recognised

(Rs. in Lakh)

Assessment Year	Business Loss	Available for utilization till	Unabsorbed Depreciation
2014-2015	-		881.69
2015-2016	-		4,322.75
2016-2017	-		4,011.34
2017-2018	35,831.55	A.Y. 2025-2026	3,826.58
2018-2019	13,483.44	A.Y. 2026-2027	559.56
2023-2024	506.13	A.Y. 2031-2032	225.67
Total	49,821.12		13,827.59

Assessment Year	Long term Capital Loss	Available for utilization till
2016-2017	1,658.88	A.Y. 2024-2025
2019-2020	526.93	A.Y. 2027-2028
Total	2,185.81	

Deferred tax assets as at 31st March, 2023 Rs. 16,095.72 Lakh (31st March, 2022 - Rs. 12,580.32 Lakh) has not been recognised, as there is no convincing evidence that sufficient taxable profits will be available against which the unadjusted tax losses will be utilized by the Company. Details of deferred tax assets are mentioned below:

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Property, Plant and Equipment	4,941.23	5,057.53
Unabsorbed depreciation	(3,480.13)	(3,494.46)
Expense disallowable under the Income Tax Act	(4,386.83)	(965.17)
Unabsorbed losses	(12,993.63)	(14,846.49)
Financial Instruments	(176.36)	1,668.27
Total Deferred tax assets	(16,095.72)	(12,580.32)

62 During the year, the Company has allocated certain common costs and expenses incurred by it, being the Holding Company, to its subsidiaries and related party aggregating to Rs. 693.93 Lakh (31st March, 2022 - Rs. 938.51 Lakh,) based on management's estimates of such costs and expenses attributable to them. Hence, certain expenses stated under Employee benefits expenses (Refer Note No. 33) and Other expenses (Refer Note No. 36) are presented as net of allocation of certain common costs and expenses.

(Rs. in Lakh)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Employee benefits expenses	179.37	260.75
Other expenses	514.56	677.76
Total Reimbursement/Allocation of common costs and expenses recovered	693.93	938.51

Notes to the standalone financial statements for the year ended 31st March, 2023

63 **Financial Risk Management**

The Company's principal financial liabilities comprises of borrowings, trade and other payables and financial guarantees contracts. The main purpose of these financial liabilities is to manage for the Company's and subsidiaries' operations. The Company's financial assets comprises of investment, loans, trade and other receivables, cash and deposits that arises directly from its operations.

The Company's activities expose it to variety of financial risks including credit risk, liquidity risk and market risk. The Company's risks management assessment, management and processes are established to identify and analyse the risks faced by the Company to set up appropriate risks limits and controls, and to monitor such risks and compliances with the same. Risks assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis	Regular review of credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of borrowing facilities
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity analysis	Unhedged
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Unhedged

The Company's risk management is carried out by a corporate finance team under the policies approved by the Board of Directors. The Board provides written principles for overall risk management as well as policies covering specific areas, such as credit risk, interest rate risk.

(a) **Credit Risk**

The Company is exposed to credit risk, which is risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. Credit risk arises from cash and cash equivalents as well as credit exposures to trade customers including outstanding receivables.

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Company through continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored. Credit risk is high as only few customers' account for majority of the revenue in the year presented. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

(b) **Liquidity Risk**

Liquidity risk is the risk that the Company may not be able to meet its financial obligations without incurring unacceptable losses. The Company's objective is to, at all times; maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company limits its liquidity risk by ensuring regular monitoring of funds from trade and other receivables. The Company relies on assets light business model through monetization of assets and tie-up of construction funding and operating cash flows to meet its needs for funds.

The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

Contractual maturities of financial liabilities (Rs. in Lakh)

Particulars	less than 1 year	1 to 5 years	More than 5 year
31st March, 2023			
Financial liabilities			
Borrowings	60,004.84	-	-
Trade payables	1,210.29	-	-
Lease liabilities	144.90	398.11	-
Creditors for Capital Goods	67.77	-	-
Financial guarantee obligations	442.61	88.01	-
Other financial liabilities	23,355.40	-	-
Total	85,225.81	486.12	-
31st March, 2022			
Financial liabilities			
Borrowings	41,460.66	18,502.21	-
Trade payables	1,368.97	-	-
Lease liabilities	165.91	496.70	-
Creditors for Capital Goods	66.04	-	-
Financial guarantee obligations	470.98	161.53	6.76
Other financial liabilities	12,058.02	-	-
Total	55,590.58	19,160.44	6.76

Notes to the standalone financial statements for the year ended 31st March, 2023

Contractual maturities of financial assets (Rs. in Lakh)

Particulars	less than 1 year	1 to 5 years	More than 5 year
31st March, 2023			
Loans	20,158.51	606.98	-
Trade receivables	13,064.16	-	-
Cash and cash equivalent	8.80	-	-
Other bank balances	23.03	-	-
Other financial assets	13,450.22	51.07	-
Total	46,704.72	658.05	-
31st March, 2022			
Loans	20,273.68	4,380.56	-
Trade receivables	13,555.59	-	-
Cash and cash equivalent	20.29	-	-
Other bank balances	15.03	-	-
Other financial assets	4,709.53	96.09	-
Total	38,574.12	4,476.65	-

The Company has various loans which are in default due to non-compliances as regards the terms of settlement. Consequent to the default these liabilities have been shown as current liability. The Company is in the process of renegotiating the terms of settlement with its lenders. As stated in Note No. 42, the management is of the view that their dues with the lenders would be settled at much lower value as compared to the carrying value of the liabilities.

Note: Investments in subsidiaries are valued at cost less impairment loss (if any) in accordance with Ind AS 27 'Separate Financial Statements', consequently the same is not disclosed in maturity profile tabulated above.

(c) **Market Risk**

Market Risk is the risk that the fair value of future cash flow of a financial instruments will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated as: 1) Foreign currency risk and 2) Interest rate risk.

1 **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flow or an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.

1.1 **Foreign currency risk exposure**

(i) Details of foreign currency transactions/ balances not hedged by derivative instruments or otherwise are as under:

Particulars	Financial Year Ended	Foreign currency amount (Amount in Lakh)	Equivalent amount in INR (Rs. in Lakh)
Trade Receivables			
USD	31st March, 2023	-	-
	31st March, 2022	0.07	5.68
EUR	31st March, 2023	-	-
	31st March, 2022	4.68	396.02
Security Deposit from customers			
USD	31st March, 2023	0.92	82.03
	31st March, 2022	1.54	116.67

1.2 **Sensitivity**

The Sensitivity of profit or loss to changes in the exchange rate arises mainly from foreign currency denominated financial instruments.

(Rs. in Lakh)

Particulars	Increase/(decrease) in profit before tax: As at 31st March, 2023	As at 31st March, 2022
FX rate - increase by 1% on closing rate of reporting date	(0.82)	2.85
FX rate - (decrease) by 1% on closing rate of reporting date	0.82	(2.85)

The above amounts have been disclosed based on the accounting policy for exchange differences.

Notes to the standalone financial statements for the year ended 31st March, 2023

2 **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the Company's borrowings is fixed rate borrowings carried at amortised cost, therefore not subject to interest rate risk as defined in IND AS - 107, since neither carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. The Company's interest rate risk arises from long term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The Company's borrowings at the variable rate were mainly denominated in Rupees.

2.1 **Interest rate risk exposure**

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Variable rate borrowing	971.41	1,471.41

2.2 **Sensitivity of Interest**

Profit or loss is sensitive to higher/lower interest expenses from borrowings as a result of changes in interest rates.

(Rs. in Lakh)

	Increase/(decrease) in profit before tax	
Particulars	As at 31st March, 2023	As at 31st March, 2022
50 bps increase the profit before tax by	(4.86)	(7.36)
50 bps decrease the profit before tax by	4.86	7.36

Notes to the standalone financial statements for the year ended 31st March, 2023

64 Fair Value Measurements

(i) Financial Instruments by Category (Rs. in Lakh)

Particulars	As at 31st March, 2023				As at 31st March, 2022			
	Carrying Amount	Level of input used in			Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets								
Amortised cost								
Trade Receivables	13,064.16	-	-	-	13,555.59	-	-	-
Loans	20,765.49	-	-	-	24,654.24	-	-	-
Cash and Cash Equivalents	8.80	-	-	-	20.29	-	-	-
Other Bank Balances	23.03	-	-	-	15.03	-	-	-
Other Financial Assets	13,450.22	-	-	-	4,709.53	-	-	-
Total	**47,311.70**	-	-	-	**42,954.68**		-	-
Financial Liabilities								
Amortised cost								
Borrowings	60,028.84	-	-	-	59,843.54	-	-	-
Trade Payables	1,210.29	-	-	-	1,368.97	-	-	-
Creditors for Capital Goods	67.77	-	-	-	66.04	-	-	-
Security Deposits	82.03	-	-	-	116.67	-	-	-
Financial guarantee obligations	530.62	-	-	-	639.27	-	-	-
Lease Liabilities	543.01	-	-	-	662.61	-	-	-
Other financial liabilities	23,273.37	-	-	-	11,941.35	-	-	-
Total	**85,735.93**	-	-	-	**74,638.45**	-	-	-

(ii) **Fair Valuation techniques used to determine fair value**

The Company maintains procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(iii) The Company assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

(iv) Equity Investments in subsidiaries are stated at cost.

(v) **Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measure at fair value. To provide an indication about the reliability of the inputs used in determing fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard.

(a) Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices.

(b) Level 2 - The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(c) Level 3 - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity shares, contingent consideration and indemnification assets included in level 3.

Notes to the standalone financial statements for the year ended 31st March, 2023

65 **Capital Management**

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide the return to shareholders and benefit to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares (if permitted). The Company monitors capital using a gearing ratio, which is total debts divided by total equity.

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Total Debts	83,021.11	71,513.21
Total Equity	73,286.79	91,200.80
Total debt to equity ratio (Gearing ratio)	**1.13**	**0.78**

Notes:-

(i) Debt is defined as non-current and current borrowings including current maturities of borrowings and interest accrued.

(ii) Total equity (as shown in balance sheet) includes issued capital and all other equity.

(iii) Total debt figures are without considering effect on default of repayment of borrowings and interest thereon. Refer notes 40, 41 & 42.

Debt Covenants

Under the terms of Restructuring Agreement (RA), the Company is required to comply with, interalia, following financial covenants:

Without prior approval of lender, the Company shall not:

(a) **Loans, debenture & charge** - issue or subscribe to any debentures, shares, raise any loans, deposit from public, issue equity or preference capital, change its capital structure or create any charge on its assets including its cash flow or give any guarantees.

(b) **Dividend on equity shares** - declare/pay dividend on equity shares unless otherwise approved by the Lender/Business Monitoring Committee in accordance with the provisions of RA.

(c) **Investments by Borrower** - make any investments by way of deposits, loans, share capital etc. in any concern or elsewhere without prior approval of the Lender / Business Monitoring Committee.

(d) **One time Settlement** - enter into any one time settlement or any other settlement with any lenders other than the Lender, without prior written approval of the Lender, as may be permitted under RA and disclosed to the Lender.

(e) **Assignment** - assign or transfer of any of its right and obligations to any third party.

(f) **Related party transactions** - enter into any related party transactions for an amount exceeding Rs. 10 Lakh per month subject to business structure and agreed by Lender.

In order to achieve this overall objective, the capital management, amongst other thing, aims to ensure that it meets financial covenants attached to the interest bearing Loans and borrowings that define capital structure requirements, there have been breaches in the financial covenants of interest bearing loans and borrowing in the current period and previous period.

The Company has not proposed any dividend in last three years in view of losses incurred.

66 **Key Financial Ratios**

Sr. No.	Particulars	31st March 2023	31st March 2022	Variation
(i)	Trade Receivables Turnover Ratio (refer note no. a)	0.20	0.32	-39.33%
(ii)	Inventories Turnover Ratio	-	-	0.00%
(iii)	Debt Service Coverage Ratio (refer note no. b)	0.04	0.52	-92.78%
(iv)	Current Ratio	0.67	0.85	-20.46%
(v)	Debt Equity Ratio (refer note no. c)	1.13	0.78	44.47%
(vi)	Net Profit Ratio (refer note no. d)	-692.82%	648.39%	-1341.21%
(vii)	Trade Payables Turnover Ratio (refer note no. e)	1.84	0.41	344.47%
(viii)	Return on Capital Employed	-4.30%	0.96%	-5.25%
(ix)	Net Capital Turnover Ratio (refer note no. f)	-0.09	-0.66	-86.34%
(x)	Return on Investment	0.00%	-2.04%	2.04%
(xi)	Return on Equity Ratio (refer note no. g)	-24.76%	44.03%	-68.79%

a Trade Receivables Turnover Ratio is decreased due to bad debts and reduced in turnover.

b Debt Service Coverage Ratio is decreased due to decreased in earning and increased in finance cost.

c Debt Equity Ratio is increased due to non payment of interest on debts and accumulated losses.

d Net Profit Ratio decreased due to impairment of investment in subsidiaries, bad debts etc.

e Trade Payables Turnover Ratio increased due to increased in credit period.

f Net Capital Turnover Ratio decreased due to decreased in revenue and non payments of debts.

g Return on Equity Ratio decreased due to impairment of investment in subsidiaries, bad debts etc.

Sr. No.	Ratios	Numerator	Denominator

Notes to the standalone financial statements for the year ended 31st March, 2023

(i)	Trade Receivables Turnover Ratio	Revenue from operations	Average trade receivable (Opening balance + closing balance) /2
(ii)	Inventory Turnover Ratio	Cost of Goods sold	Average Inventory (Opening balance + closing balance) /2
(iii)	Debt Service Coverage Ratio	Earnings available for debt service (Net profit after tax expense + depreciation & amortization + Finance cost + Non cash operating items + other adjustment)	Finance cost & lease payment + principle repayment of long term borrowings during the year
(iv)	Current Ratio	Current Assets	Current Liabilities
(v)	Debt Equity Ratio	Total Debts + interest accrued	Total Equity
(vi)	Net Profit Ratio	Net Profit after tax	Revenue from operations
(vii)	Trade Payables Turnover Ratio	Other expenses excluding Allowance for doubtful debts, Bad debts, Foreign exchange differences, Sundry balance written off, Discarding/written off of Intangible assets under development and Loss on sale of subsidiary	Average trade payables (Opening balance + closing balance) /2
(viii)	Return on Capital Employed	Profit before interest and tax	Total Equity + Total Debts
(ix)	Net Capital Turnover Ratio	Revenue from operations	Working capital (Current asset - current liabilities)
(x)	Return on Investment	Interest income on fixed deposits + Profit on sale of investments + Income of investment - Impairment on value of investment	Current investments + Non current Investments + Fixed deposits with bank
(xi)	Return on Equity Ratio	Net Profit after tax	Average total equity [(Opening Equity Share capital + Opening Other equity+Closing Equity Share Capital+Closing Other Equity)/2

67 Revenue from contracts with customers (IND AS 115)

The Company disaggregates revenue from contracts with customers by type of services, geography and timing of revenue recognition.

Revenue disaggregation by type of services is given note no. 31

Revenue disaggregation by geography is as follows:

(Rs. in Lakh)

Geography	Year Ended 31st March, 2023	Year Ended 31st March, 2022
India	2,619.48	6,193.34
Outside India	-	-
Total	**2,619.48**	**6,193.34**

Revenue disaggregation by timing of revenue recognition is as follows:

(Rs. in Lakh)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Services transferred over time	2,613.48	5,124.68
Consideration on Lease of Land	6.00	1,068.66
Total	**2,619.48**	**6,193.34**

Reconciliation of Revenue from Operation with contract price:

(Rs. in Lakh)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Contract Price	2,830.37	6,415.19
Reduction on account of amount recovered by subsidiary	210.89	221.85
Revenue from Operations	**2,619.48**	**6,193.34**

Notes to the standalone financial statements for the year ended 31st March, 2023

Transaction Price allocated to remaining performance obligations:

The aggregate amount of the transaction price allocated to the performance obligations that are to be satisfied as of 31st March, 2023 amounts to Rs. 1,591.95 Lakh (31st March, 2022 - Rs. 2,122.60 Lakh) as per Lease deed. The remaining performance obligation are subject to several factors including Panvel storage revenue, cash flow cover, collections within 90 days or as mutually agreed. The management of the Company expects that 100% of the unsatisfied performance obligation will be recognised as revenue during the next reporting period amounting to Rs. 1,591.95 Lakh with balance in future one reporting periods thereafter.

68 During the year ended 31st March, 2023, the Company has allotted 12,00,000 equity shares to eligible employees upon exercise of option under the Arshiya Limited Employee Stock Option Scheme 2019. Post allotment of aforesaid shares, the paid up capital of the Company have been increased to Rs. 5,269.52 Lakh divided into equity shares 26,34,75,915 of face value of Rs. 2/- each.

69 Two lenders of a subsidiary company i.e. ANFL have filed petition for recovery of dues at NCLT under Insolvency and Bankruptcy Code, 2016. A lender of ANFL has also called upon the Company as a corporate guarantor to the said loan and same is pending at pre-admission stage.

70 Certain operational creditors of the Company have also filed petitions at NCLT under Insolvency and Bankruptcy Code, 2016. Currently the matters are pending at pre-admission stage.

71 Certain creditors have initiated legal proceedings against the Company and its Directors. One creditor has initiated for winding up petition against the Company. The Company is in process of negotiating and finalising the revised consent terms and / or making representations to the respective forum.

72 During the course of preparation of financial statements, e-mails have been sent to various parties, in respect of trade receivables and trade payables, etc. by the Company with a request to confirm their balances out of which only few parties have responded. The management is confident and is of the view that there will not be any material variation in the said balances.

73 The Company has requested all its lenders for independent confirmation of their outstanding as on 31st March 2023 with a request to confirm their balances directly to the statutory auditors. The Company is confident that there will not be significant changes in its liabilities.

74 During the year ended 31st March 2020, the Central Bureau of Investigation conducted a search on the Company based on a complaint of UCO Bank, which is no longer a lender to the Company since 31st March 2017. In this regard, the Company has filed a petition with the Hon'ble High Court of Bombay. The Hon'ble High Court of Bombay has given interim relief in favour of the Company whereby all the adverse actions, if any has been stayed by the Hon'ble High Court as prayed and the matter is now sub-judice.

75 The Company has Property, Plant & Equipment with gross block aggregating to Rs 57,690.91 Lakh (written down value aggregating to Rs 51,133.28 Lakh) and inventory of Rs 12,537.34 Lakh. The value of these assets of the Company, has been carried forward on the basis of existing accounting policies, and these values are supported by the commercial value realised in the past. The fair value of assets and liabilities of the Company cannot be determined till the completion of the ongoing discussions for resolution of debt or proceedings and may appear prejudiced, if carried at this stage. In view of the above, no provision for impairment is made at this stage in the financial statement.

In the previous year, in accordance with the Indian Accounting Standard (IND AS -36) on "Impairment of Assets", the management had carried out an exercise of identifying the assets that may have been impaired in accordance with the said IND AS. On the basis of that review carried out by the management, there was no impairment loss on property, plant and equipment during the year ended 31st March, 2022

76 The Company has trade receivable from a wholly owned subsidiary viz. Arshiya Data Centre Private Limited of Rs 13,064.16 Lakh as at 31st March, 2023 which are overdue. The underlying asset of the said subsidiary is notified land as Special Economic Zone (SEZ) at Panvel near Mumbai, Maharashtra. The said subsidiary is having sector specific IT SEZ . The said subsidiary is in discussion with a prominent real estate intermediary who is acting on behalf of one of the transnational company for monetization of the said land. The Management is of the view that the said amounts are good and fully recoverable.

77 **Other Statutory Informations**

(a) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Notes to the standalone financial statements for the year ended 31st March, 2023

(c) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(d) There are no transactions and outstanding balances with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act,1956.

(e) No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(f) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(g) The Company does not have any pending creation of charges or satisfaction of charges which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

(h) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(i) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(j) Utilisation of borrowed funds as on 31st March, 2023, there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.

(k) The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to the Company but the Company has voluntarily adopted the CSR policy in 2018.

(l) During the year, the Company has not entered into any scheme of arrangements in terms of sections 230 to 237 of the Companies Act, 2013.(Refer note no. 48 for previous year)

78 VAT refund receivable classified as current assets in previous year amounting to Rs. 1,876.65 Lakhs is reclassified to non-current assets during the year.

79 The Parliament of India has approved the Code on Social Security, 2020 ("the Code") which, inter alia, deals with employee benefits during employment and post employment. The effective date of the Code is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. In view of this, the impact of the change, if any, will be assessed and recognised post notification of the relevant provisions.

Notes forming part of Financial Statements

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration Number 116560W/W100149

For and on behalf of the Board of Directors of
Arshiya Limited

Milan Mody
Partner
Membership Number: 109859

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Place: Mumbai
Date: 30th May, 2023

Dinesh Kumar Sodani
Chief Financial Officer

Navnit Choudhary
VP - Commercial

Ajit Dabholkar
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To
The Members of Arshiya Limited

Report on the Audit of Ind AS Consolidated Financial Statements for the year ended 31st March, 2023

Disclaimer of Opinion

1) We were engaged to audit the accompanying Ind AS consolidated financial statements of **Arshiya Limited** ("the Holding Company") and its wholly owned subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which comprise the consolidated balance sheet as at 31st March, 2023, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, the consolidated statement of changes in equity and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS consolidated financial statements").

2) We do not express an opinion on the accompanying Ind AS consolidated financial statements of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Ind AS consolidated financial statements.

Basis for Disclaimer of Opinion

3) **With respect to settlement arrangement with lenders**

a) Further to what is stated in note no. 52 of the Ind AS consolidated financial statements, during the earlier years the Holding Company had received settlement of debt letter / consent letters in respect of some of the lenders. As per the agreed settlement the total debt of the said lenders (including outstanding interest) of Rs. 102,092.00 Lakh was agreed to be settled at Rs. 43,951.41 Lakh. The Holding Company had already given accounting effects of such settlement in the Ind AS consolidated financial statements in the respective earlier year and recognized a gain of Rs. 52,942.51 Lakh as an exceptional item. The company has not fulfilled its obligations as per the agreed settlement. However, the liability in the books has not been restated to the original value and accordingly the liabilities are understated to the extent of Rs. 86,948.45 Lakh as on 31st March, 2023. The interest on such borrowings has been under provided by Rs. 12,478.43 Lakh for year ended 31st March, 2023 (cumulative unprovided interest of Rs. 34,005.94 Lakh), as interest is accounted on the settlement amount as against the pre-settlement amount. The penal interest, default interest on the said defaults with few lenders are not ascertained /accounted.

This accounting treatment as stated above is not in compliance with Ind AS 109 "Financial Instruments" and Ind AS 23 "Borrowing Cost". Had the Holding Company reversed the accounting for the debt settlement, the impact thereon would have been as mentioned above and balance of other equity as on 31st March, 2023 would have been lower by Rs. 86,948.45 Lakh and the total equity would have been negative Rs. 13,661.66 Lakh as against reported positive figure of Rs. 73,286.79 Lakh. As stated in notes management is confident of negotiating with the lenders and settle the liability at a lower value and no additional provision needs to be made, in absence of minutes of the meeting with the lenders or any written acceptance from the lender we are unable to concur with the management view.

b) Further to what is stated in note no. 51 of the Ind AS consolidated financial statements, during the year ended 31st March 2023 and year ended 31st March 2022, one of the Subsidiary Company received settlement of debt letter in respect of some of the lenders. As per the agreed settlement the total debt of the said lenders (including outstanding interest) of Rs. 29,720.55 Lakh were agreed to be settled at Rs. 19,754.00 Lakh. The Subsidiary Company had already given accounting effects of such settlement in the financial statements for the year ended 31st March 2023 and year ended 31st March 2022, recognized a gain of Rs. 8,221.83 Lakh and Rs.1,744.72 Lakh respectively as an exceptional item. The Subsidiary Company has not fulfilled its obligations as per the agreed settlement. However, the liability in the books has not been restated to the original value and accordingly the liabilities are understated to the extent of Rs. 9,966.55 Lakh as on 31st March 2023. Further, the interest on such borrowings has been under provided by Rs.2,542.10 Lakh for year ended 31st March 2023 (cumulative unprovided interest of Rs 6,966.88 Lakh), as interest is accounted on the settlement amount as against the pre-settlement amount. The penal interest, default interest on the said defaults is not ascertained / accounted.

Further, the said lenders have submitted their claims to Interim Resolution Professional (IRP) under Corporate Insolvency Resolution Process (CIR Process). There is a difference of Rs. 37,508.56 Lakh between amount as per books and the claims submitted by the said lenders. Out of the said unprovided claim IRP has admitted the claim of Rs. 19,601.61 Lakh. Considering the amount admitted, the same shall have additional impact of Rs. 3,116.62 Lakh over and above the impact mentioned above.

Further to above, notwithstanding commencement of ongoing CIR Process, the management of the Group has decided to continue accounting of the aforesaid settlement gain disregarding the fact that the aforesaid letters do not have any sanctity. No basis or explanation for such a view has been provided to us for the purpose of our audit.

This accounting treatment as stated above is not in compliance with Ind AS 109 "Financial Instruments" and Ind AS 23 "Borrowing Cost". Had the Subsidiary Company reversed the accounting for the debt settlement, the impact there on would have been as mentioned above and the balance of total equity as on 31st March, 2023 would have been further lower by Rs. 20,050.05 Lakh and the total equity would have been negative Rs. 91,223.92 Lakh (after considering effect as stated in para 4(a) above) as against reported positive figure of Rs. 15,774.57 Lakh.

c) Further, as stated in note no. 70 of the Ind AS consolidated financial statements for the year ended 31st March, 2023 and para 3 (a) above, balance confirmations of total borrowings including interest accrued (including current maturities of long term borrowings), have not been received. On account of non-availability of balance confirmations, the difference between the claim by the lenders vis-à-vis the liability as per books cannot be ascertained.

d) We draw attention to the note no. 50 of the Ind AS consolidated financial statements, regarding one of the Non-Banking Financial Company (NBFC) which was lender to the Company, had assigned its debt to Edelweiss Asset Reconstruction Company (EARC). Pending execution of restructuring agreement for assignment of its debt to EARC, the Company has continued to provide interest on loan aggregating to Rs. 2,000.00 Lakh for the year ended 31st March, 2023 in line with major terms negotiated with EARC in case of other agreements. The management is of the view that it would be able to successfully negotiate with the lender to whom the debt is assigned.

In view of the management, no additional interest including penal interest needs to be provided for the above-said debt presently. Acceptance of the lenders to these terms is dependent on future negotiations and hence uncertain. In the absence of clarity and pending outcome of negotiations, we are unable to opine whether the liability as per the books and provision for interest are appropriate or not.

Considering the factors stated in para 3(a) to 3(d) above and the ongoing negotiations with the lenders for revised settlement, we are unable to obtain sufficient appropriate audit evidence about these borrowings (including interest) outstanding as at 31st March, 2023 as well as the finance cost for the year ended 31st March, 2023. Consequently, we are unable to determine the quantum of adjustment (in addition to the amount stated in para 3 (a) and 3(b) above) including for difference on account of rate of interest, compounding, penal interest, charges, etc. and consequential impacts in the Ind AS consolidated financial statements of the Group.

4) Non-recognition of liability in respect of financial guarantee at fair value in accordance with Ind AS 109 "Financial Instruments"

We draw attention to the note no. 74 to the Ind AS consolidated financial statements, regarding corporate guarantees given to subsidiary company and erstwhile subsidiary companies with principal debt obligations aggregating to Rs.93,900.00 Lakh (excluding interest, penal interest etc.). The said companies had defaulted in repayment of dues to lenders.

In the opinion of the management of the Group, the value of primary / underlying assets provided as securities by the borrowing companies is greater than the outstanding loans and hence in view of the management no additional liability is expected to devolve on the Group. The Group has not carried out a fair valuation of the guarantee in accordance with Ind AS 109 as on 31st March, 2023 leading to non-compliance with the said Ind AS.

In absence of fair value report, we are unable to comment on quantum of liability which is expected to devolve on the Group as a corporate guarantor and fair value of liability as required by Ind AS 109.

5) Impairment testing of Property, Plant & Equipment (PPE) & assessment of Net Realizable Value (NRV) of Inventory not carried out by the management

The Group has Property, Plant and Equipment (PPE) and Capital Work in Progress (CWIP) with gross block aggregating to Rs. 133,391.55 Lakh (written down value aggregating to Rs 117,639.27 Lakh), and inventory of Rs. 12,537.34 Lakh. Continuing losses and lower capacity utilization are indicators for the need to carry out impairment testing as required Ind AS 36 "Impairment of Assets". However, the management of the Group has not complied with this requirement of Ind AS 36 i.e. Impairment test has not been carried out in respect of PPE and also has not assessed the net realizable value of the inventory as required by Ind AS 2 "Inventories".

The value in use / NRV is dependent on various factors like settlement with lenders, monetization of assets and infusion of funds which are uncertain and not fully in control of the management of the Group.

As stated above and in absence of the impairment test / NRV test it is not possible for us to provide assertion on the carrying value of the property plant and equipment and inventory as on 31st March 2023 and consequently compliance with Ind AS 36 "Impairment of Assets" and Ind AS 2 "Inventories".

6) Assets Held for Sale

We draw attention to note no. 55 of the Ind AS consolidated financial statements with regards to transaction of monetization of one warehouse of one of the subsidiaries. Since the Subsidiary Company was not able to fulfil certain Conditions Precedent (CP), the Subsidiary Company has requested for extension of timeline provided in the original agreement. The Subsidiary Company has received the extension letter and the management is confident that the conditions will be complied with and accordingly the transaction shall materialize. However, due to initiation of CIR Process, substantial CP were not complied as on the date of the report and the management has not provided with substantive plan of the Subsidiary Company to comply with all the CP or any other alternative plan for sale of the said asset, as required under Ind AS 105 on Non-Current Assets Held for Sale and Discontinued Operations. Additionally, the management of the Group has not assessed NRV of the said assets held for disposal. In absence of the above-mentioned information, we are unable to comment on the appropriateness of the said disclosure and other consequential impact including provision for depreciation, compliance with Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" and Ind AS 16 "Property, Plant and Equipment".

As a result of the matters described in para 4 to 7 above, considering the facts stated in the note as regards material uncertainty relating to going concern and matters described in Emphasis of Matter paragraph we are unable to obtain sufficient and appropriate audit evidence to provide a basis of our opinion on the Ind AS consolidated financial statements for the year ended 31st March, 2023.

Matters listed in para 4(a) and 4(c) above, was covered under qualification and which are listed in para 4(d) was covered under emphasis of matters given by the erstwhile statutory auditor in statutory audit report for the year ended 31st March 2022, dated 30th May, 2022.

7) Material Uncertainty related to Going Concern

As stated note no. 48 of the Ind AS consolidated financial statements, the Group is unable to pay its dues to operational and financial creditors, the Group has defaulted in repayment of dues to lenders and lenders have started recovery proceedings, the Group has given guarantees for loan taken by the subsidiary out of which guarantees are invoked by lenders, some of the lenders have even called back their loans, lenders have classified Group's borrowing as NPA, current liabilities exceeded its current assets of the Group, unpaid statutory dues of the Group, operational and financial creditors have applied before National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016. The Group also received notice under SARFAESI from EARC (Edelweiss Asset Reconstruction Company) Trust for certain borrowings, to discharge its liabilities failing which they will realize the amount by enforcing securities on secured assets. With respect to one of the subsidiary CIR process has been initiated and Interim resolution professional has been appointed. The monetization of assets of the said subsidiary is dependent on the outcome of the CIR process.

These matters (including other matters as stated out in the notes), indicate that a material uncertainty exists that may cast significant doubt about its ability to continue as a going concern. The management as a developer of the business is confident that monetization will happen periodically and staggered but significant payments will be received to streamline the cash flows. The said assumption of going concern is dependent upon the Group's ability to monetize its assets in timely manner, successful negotiation with its lenders for settlement of debt obligations and its ability to generate cashflows to meet its obligations. Pending above, the management has prepared the Ind AS consolidated financial statements on going concern basis.

The matters enumerated in para 4 to 8 collectively are the basis for providing disclaimer of opinion.

Emphasis of Matters

i. We draw attention to note no. 53 to the Ind AS consolidated financial statements, one of the lenders of the Holding Company, had preferred an appeal in "Hon'ble National Company Law Appellate Tribunal", ("NCLAT"), against the order of Hon'ble National Company Law Tribunal, Mumbai sanctioning the Scheme of Arrangement between the Holding Company and NCR Rail Infrastructure Limited. NCLAT ordered to maintain the status quo prevailing as on that date, vide its order dated 4th March, 2022. According to the legal opinion obtained by the Holding Company and in view of the Management of the Group, it can prepare the consolidated statements/results of the Company as per the sanctioned scheme of arrangement.

ii. Attention is invited to the note no. 76 of the Ind AS consolidated financial statements regarding advance given to a related party Rs 4,487.43 Lakh which is subsequently adjusted against the consideration for purchase of land from Holding Company of the said related party.

   The definitive agreements with respect to the same are in the process of being finalised. The said transaction is subject to lenders approvals of the seller and is expected to be completed by 31st December 2023.

iii. The internal audit for Holding Company and for one of subsidiary company for the year ended 31st March, 2023 is under process and report of the internal auditor is not produced before us for our comments.

   The Group is a party to various legal proceedings in normal course of business (including petition filed before NCLT under Insolvency and Bankruptcy Code) and as informed and represented to us that the inhouse legal team does not expect the outcome of these proceedings to have any adverse effect on its financial conditions, results of the operations or cash flow.

v. We draw attention to note no. 70 of the Ind AS consolidated financial statements, regarding the balance confirmations of trade receivables and trade payables. During the course of preparation of Ind AS consolidated financial statements, emails / letters have been sent to various parties by the Holding Company with a request to confirm their balances directly to us out of which only few parties have responded. The management is confident and is of the view that there will not be any material variation in the said balances.

vi. With respect to one of the subsidiary CIR process has been initiated during the year and Interim resolution professional has been appointed. The management of the Holding Company based on the legal opinion has continued to consolidate the said entity post appointment of IRP in its consolidated financial statements.

vii. Other non-current assets of the Ind AS consolidated financial statements, refunds aggregating to Rs. 2,120.65 Lakh are receivable in respect of VAT for which appeals are pending with respective Appellate Authorities. The management is of the view that the refunds are considered good for recovery on account of refunds being received by other SEZ developers on similar grounds (Refer note no. 54). However, the said appeals have been rejected by the authorities on multiple levels, but since further appeal is preferred before higher appellate authorities including High Court, the management expects favorable outcome.

Our conclusion is not modified in respect of the above matters.

Matters stated by us in above para i and v were given by the erstwhile statutory auditor as qualifications in their statutory audit report for the year ended 31st March, 2022 dated 30th May, 2022.

Management's responsibility for the Ind AS Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS consolidated financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

The Board of Directors is also responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the Ind AS Consolidated Financial Statements

Our responsibility is to conduct an audit of the Group's Consolidated Financial statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matters described in the basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on these Ind AS consolidated financial statements.

We are independent of the Group in accordance with the ethical requirements in accordance with the requirements of the code of ethics issued by ICAI and the ethical requirements as prescribed under the laws and regulations applicable to the Group.

Other Matters

i. The figures for the year ended 31st March, 2022 are based on the previously issued annual Ind AS financial statements that were audited by the erstwhile auditors whose report dated 30th May, 2022, expressed a modified opinion.

ii. We did not audit the financial statements of nine subsidiaries, whose consolidated financial statements reflect total assets of Rs. 45,434.54 Lakh as on 31st March 2023, total revenue (including other income) of Rs. 5,231.66 lakh and Rs. 18,652.70 Lakh, total net profit / (loss) after tax Rs. (627.13) Lakh and Rs. (1,033.35) Lakh and total comprehensive income of Rs (624.79) Lakh and Rs (3,198.99) Lakh for the quarter and year ended 31st March 2023 respectively, as considered in the consolidated audited financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated audited financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it related to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Our opinion is not modified with respect to the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

(a) As described in the Basis for Disclaimer of Opinion paragraph, we sought but were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

(b) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether proper books of account as required by law have been kept by the Group so far as appears from our examination of those books.

(c) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the consolidated balance sheet, consolidated statement of profit and loss including other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cashflow dealt with by this report are in agreement with the books of account.

(d) Due to the possible effects of the matter described in the Basis of Disclaimer of Opinion paragraph, we are unable to state whether the aforesaid Ind AS consolidated financial statements comply with the Accounting Standards under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) The matters described in paragraphs above under the Basis for Disclaimer of Opinion para, Material Uncertainty Related to Going Concern and Emphasis of Matter, in our opinion, would have an adverse effect on the functioning of the Group.

(f) On the basis of the written representations received from the directors as on 31st March, 2023, none of the directors are disqualified as on 31st March, 2023, from being appointed as a director in terms of Section 164(2) of the Act.

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

(h) The reservation relating to the maintenance of accounts and other matters connected therewith is as stated in the Basis for Disclaimer of Opinion paragraph above.

(i) In our opinion and to the best of our information and according to the explanations given to us, no remuneration is paid by the Group to its directors during the year, hence the provisions of Section 197 of the Act are not applicable.

(j) With respect to Other Matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:

i. The Group has disclosed the pending litigations and disputes on its financial position in notes 58 and 59 to the Ind AS consolidated financial statements. Further as per the note no. 44 the Group is a party to various litigation proceeding in normal course of business. As stated in para (iv) of Emphasis of Matters paragraph, the Group does not expect the outcome of these proceedings to have any adverse effect on its financial conditions, results of the operations or cash flow. For the purpose of said reporting, we have relied upon the representation from the in-house legal team.

ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

iv. The management has represented to us that,

a. to the best of its knowledge and belief, as disclosed in the notes to the Ind AS consolidated financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. to the best of its knowledge and belief, as disclosed in the notes to the Ind AS consolidated financial statements no funds have been received by the Group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

v. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

vi. The Group has not declared or paid dividend during the year. Hence, our comments on compliance with Section 123 of the Companies Act, 2013 does not arise.

vii. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Group with effect from 1st April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.

For N. A. Shah Associates LLP
Chartered Accountants
Firm's Registration No.: 116560W / W100149

Milan Mody
Partner
Membership No.: 103286
UDIN: 23103286BGPZNC5478

Place: Mumbai
Date: 30th May, 2023

With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, we state that there are no unfavorable remarks, qualifications or adverse remarks reported under CARO for subsidiaries except as mentioned below:

Sr. No.	Name	CIN	Holding Company / Subsidiary	Clause number of the CARO report
1	Arshiya Limited	L93000MH1981PLC024747	Holding Company	3(i)(a), 3(ii)(a), 3(iii)(c), 3(vii)(a) and (b), 3(ix)(a) and (d), 3(xiv), 3(xix)
2	Arshiya Northern FTWZ Limited	U51109MH2008PLC183555	Subsidiary	3(i)(c), 3(iii)(c) and (d),3(vii)(a), 3(ix)(a) and (d), 3(xiv), 3(xix)
3	Arshiya Lifestyle Limited	U74110MH2010PLC201330	Subsidiary	3(vii)(a), 3(xiv)(b)
4	Arshiya Logistics Services Limited	U93000MH2008PLC183791	Subsidiary	3(vii)(a), 3(xiv)(b)
5	Arshiya Technologies (India) Private Limited	U72300MH2007PTC175427	Subsidiary	3(xix)
6	Arshiya Infrastructure Developers Private Limited	U74999MH2019PTC319247	Subsidiary	3(ix)(d)
7	Unrivalled Infrastructure Private Limited	U74999MH2019PTC319124	Subsidiary	3(vii)(a), 3(ix)(d)
8	Arshiya Data Centre Private Limited	U72900MH2019PTC320780	Subsidiary	-
9	Arshiya Northern Projects Private Limited	U74999MH2018PTC316334	Subsidiary	-
10	Arshiya 3PL Services Private Limited	U74999MH2018PTC313041	Step Down Subsidiary	3(vii)(a), 3(ix)(d), 3(xix)
11	Arshiya Panvel Logistics Services Private Limited	U74999MH2019PTC322399	Step Down Subsidiary	3(vii)(a), 3(ix)(d), 3(xix)
12	Arshiya Distribution Hub Private Limited	U45203MH2021PTC363169	Step Down Subsidiary	3(xix)
13	Arshiya Panvel FTWZ Services Private Limited	U74999MH2019PTC322030	Step Down Subsidiary	3(vii)(a), 3(ix)(d)

For N. A. Shah Associates LLP
Chartered Accountants
Firm's Registration No.: 116560W / W100149

Milan Mody
Partner
Membership No.: 103286
UDIN: 23103286BGPZNC5478

Place: Mumbai
Date: 30th May 2023

Report on Internal Financial Control under Section 143(3)(i) of the Companies Act, 2013 ("the Act")

Disclaimer of Opinion

We were engaged to audit the internal financial controls over financial reporting of **Arshiya Limited** ("the Holding Company") its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") as of 31st March, 2023 in conjunction with our audit of the Ind AS consolidated financial statements of the Group for the year ended on that date.

Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph above, we are unable to obtain sufficient and appropriate evidence to provide a basis for our opinion on whether the Group has adequate internal financial controls over financial reporting with reference to these Ind AS consolidated financial statements as at 31st March, 2023. We have considered these matters while issuing disclaimer of opinion report.

The erstwhile statutory auditors had given qualified opinion in their statutory audit report dated 30th May, 2022 for the year ended 31st March, 2022.

Basis for Disclaimer of Opinion

Due to the possible effects of the various matters described in the Basis for Disclaimer of Opinion paragraph in our main audit report, Emphasis of Matters and matters specified in Annexure A to our audit report on Ind AS standalone financial statements of the Holding Company in respect of physical verification of fixed assets, inventory, internal audit, we are unable to comment on the effectiveness of the internal financial controls over financial reporting with reference to these Ind AS consolidated financial statements as at 31st March, 2023 and whether such internal financial controls were operating effectively. Accordingly, we do not express an opinion on the internal financial controls over financial reporting with reference to the Ind AS consolidated financial statements of the Group.

Management's Responsibility for Internal Financial Controls

The Group's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Because of the matters described in Basis for Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide basis for an audit opinion on internal financial controls system over financial reporting of the Group.

Meaning of Internal Financial Controls over Financial Reporting

A Group's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. The Holding Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Holding Company are being made only in accordance with authorizations of erstwhile management and suspended directors of the Holding Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Holding Company's assets that could have a material effect on the Ind AS consolidated statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For N. A. Shah Associates LLP
Chartered Accountants
Firm's Registration No.: 116560W / W100149

Milan Mody
Partner
Membership No.: 103286
UDIN: 23103286BGPZNC5478

Place: Mumbai
Date: 30th May, 2023

Consolidated Balance Sheet as at 31st March, 2023

(Rs. in Lakh)

Particulars	Notes	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	7 (a)	1,17,417.83	1,28,356.87
(b) Right of Use Assets	7 (b)	13,316.66	19,900.00
(c) Capital work in progress	8	221.44	221.44
(d) Goodwill on Consolidation		19.17	19.17
(e) Intangible Assets	9	30.12	174.00
(f) Financial Assets			
(i) Loan	10	-	1,404.34
(ii) Other Financial Assets	11	658.68	3,072.31
(g) Other Non-Current Assets	12	5,760.43	3,012.17
		1,37,424.33	1,56,160.30
Current assets			
(a) Inventories	13	12,537.34	12,537.34
(b) Financial Assets			
(i) Trade Receivables	14	3,152.80	4,020.83
(ii) Cash and Cash Equivalents	15	964.87	799.02
(iii) Bank Balances Other than (ii) above	16	23.03	15.03
(iv) Loans	17	-	325.00
(v) Other Financial Assets	18	19,428.81	8,277.61
(c) Other Current Assets	19	320.87	1,159.76
		36,427.72	27,134.59
(d) Assets held for sale	20	7,068.61	7,068.75
Total Assets		1,80,920.66	1,90,363.64
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	21	5,269.52	5,245.52
(b) Other Equity	22	10,505.05	25,977.10
		15,774.57	31,222.62
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	-	18,382.88
(ii) Lease Liabilities	24	7,575.29	14,974.85
(iii) Other Financial Liabilities	25	1,114.90	869.44
(b) Provisions	26	111.38	117.55
(c) Other Non-Current Liabilities	27	488.49	2.94
		9,290.06	34,347.66
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	28	90,055.14	68,569.55
(ii) Trade Payables	29		
Total Outstanding Dues of Micro and Small Enterprises		662.75	580.11
Total Outstanding Dues of Creditors Other than Micro and Small		1,675.29	1,675.27
(iii) Lease Liabilities	30	7,228.11	6,337.43
(iv) Other Financial Liabilities	31	54,221.55	43,962.48
(b) Other Current Liabilities	32	1,994.06	3,699.67
(c) Provisions	33	15.88	14.97
		1,55,852.78	1,24,789.48
(d) Liabilities associated with assets classified as held for sale	34	3.25	3.88
Total Equity and Liabilities		1,80,920.66	1,90,363.64

Notes to the financial statements 1 to 82

As per our report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration Number 116560W/W100149

For and on behalf of the Board of Directors of
Arshiya Limited

Milan Mody
Partner
Membership Number: 103286

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Place: Mumbai
Date: 30th May, 2023

Dinesh Kumar Sodani
Chief Financial Officer

Navnit Choudhary
VP - Commercial

Ajit Dabholkar
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March, 2023

(Rs. in Lakh)

Particulars	Notes	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Continuing Operations			
INCOME			
Revenue from operations	35	14,257.66	15,014.12
Other income	36	1,959.92	9,674.09
Total Income (I)		16,217.58	24,688.21
EXPENSES			
Warehousing, transportation and handling costs	37	2,057.54	1,775.45
Employee benefits expenses	38	1,889.73	1,996.63
Finance costs	39	21,185.22	16,217.40
Depreciation and amortization expenses	40	7,934.57	7,181.47
Other expenses	41	7,008.95	3,356.37
Total Expenses (II)		40,076.01	30,527.32
(Loss) before exceptional items and tax (I-II)		(23,858.43)	(5,839.11)
Exceptional Items (net)	42	8,221.83	48,988.99
(Loss) / Profit before tax		(15,636.60)	43,149.88
Tax expense:	64		
Current tax		45.85	28.82
Deferred tax		-	-
(Loss) / Profit for the year from Continuing Operations		(15,682.45)	43,121.06
(Loss) for the year from Discontinued Operations	43	(2.24)	(730.29)
Net (Loss) / Profit for the year		(15,684.69)	42,390.77
OTHER COMPREHENSIVE INCOME			
Items not to be reclassified to profit and loss:			
Remeasurement of gains / (losses) on defined benefit plans		6.92	(7.38)
Other Comprehensive Income for the year		6.92	(7.38)
Total Comprehensive Income for the year		(15,677.77)	42,383.39
Profit for the year attributable to:			
Owner of the parent		(15,684.69)	42,390.77
Non-controlling interest		-	-
		(15,684.69)	42,390.77
Other comprehensive income for the year attributable to:			
Owner of the parent		6.92	(7.38)
Non-controlling interest		-	-
		6.92	(7.38)
Total comprehensive income for the year attributable to:			
Owner of the parent		(15,677.77)	42,383.39
Non-controlling interest		-	-
		(15,677.77)	42,383.39
Earnings per equity share (EPS) in Rs. (for continuing operation)			
Basic		(5.97)	16.44
Diluted		(5.97)	16.39
Earnings per equity share (EPS) in Rs. (for Discontinued operation)			
Basic		(0.00)	(0.28)
Diluted		(0.00)	(0.28)
Earning per equity share (EPS) in Rs. (for continuing and discontinued operation) (face value of Rs. 2 each)	63		
Basic		(5.97)	16.16
Diluted		(5.97)	16.11
Notes to the financial statements	1 to 82		

As per our report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration Number 116560W/W100149

For and on behalf of the Board of Directors of
Arshiya Limited

Milan Mody
Partner
Membership Number: 102286

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Place: Mumbai
Date: 30th May, 2023

Dinesh Kumar Sodani
Chief Financial Officer

Navnit Choudhary
VP - Commercial

Ajit Dabholkar
Company Secretary

Consolidated Statement of changes in Equity for the year ended 31st March, 2023

A. Equity Share Capital (Refer Note No. 21)

Particulars	Rs. in Lakh
Equity Shares of Rs. 2 each issued, subscribed and paid up	
As at 1st April, 2021	5,245.52
Issue of Equity Shares	-
As at 31st March, 2022	5,245.52
Issue of Equity Shares	24.00
As at 31st March, 2023	5,269.52

B. Other Equity (Refer Note No. 22)

(Rs. in Lakh)

Particulars	Other Reserves		Reserves and Surplus				Total
	Capital Reserve	Amalgamation Reserve	Securities Premium Account	Employee Stock Options Reserve	General Reserve	Retained Earnings	
Balances as on 1st April, 2021	1.58	124.80	60,703.59	-	940.18	(78,524.10)	(16,753.96)
Profit for the year	-	-	-	-	-	42,390.77	42,390.77
Other comprehensive income	-	-	-	-	-	(7.38)	(7.38)
Total comprehensive income for the year	-	-	-	-	-	42,383.39	42,383.39
Share based payment (Refer Note No. 57)	-	-	-	347.66	-	-	347.66
Balances as at 31st March, 2022	1.58	124.80	60,703.59	347.66	940.18	(36,140.71)	25,977.10
(Loss) for the year	-	-	-	-	-	(15,684.69)	(15,684.69)
Other comprehensive income	-	-	-	-	-	6.92	6.92
Total comprehensive income for the year	-	-	-	-	-	(15,677.77)	(15,677.77)
Share based payment (Refer Note No. 57)	-	-	-	205.72	-	-	205.72
On issue of equity shares	-	-	362.16	(362.16)	-	-	-
Balances as at 31st March, 2023	1.58	124.80	61,065.75	191.22	940.18	(51,818.48)	10,505.05

Notes to the financial statements 1 to 82

As per our report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration Number 116560W/W100149

For and on behalf of the Board of Directors of Arshiya Limited

Milan Mody
Partner
Membership Number: 103286

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Dinesh Kumar Sodani
Chief Financial Officer

Place: Mumbai
Date: 30th May, 2023

Navnit Choudhary
VP - Commercial

Ajit Dabholkar
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2023

(Rs. in Lakh)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Cash flow from operating activities		
(Loss) / Profit before tax	(15,636.60)	43,149.88
Adjustments for		
Bad debts	1,358.54	1,495.12
Sundry balances written off / back (net)	(321.45)	(8.76)
Discarding / written off of Property, plant and equipment and Intangible assets	-	60.00
Gain on disposal of Property, plant and equipment	(564.89)	-
Provision for doubtful debts/Expected credit loss	1,104.78	146.69
Provision for impairment on Loan	461.75	-
Gain on settlement of debts (net)	(8,221.83)	(48,988.99)
Gain recognised on sale of subsidiaries	-	(8,902.00)
Fair value adjustment in respect of capital advances	1,442.58	-
Depreciation and amortization expense	7,934.57	7,181.47
Finance costs	21,185.22	16,217.40
Financial guarantees income	(15.00)	(321.28)
Financial assets carried at amortised cost	(360.31)	(262.73)
Interest income on fixed deposits	(5.01)	(3.18)
Interest income on Loan	(174.19)	(95.73)
Interest income on tax refund	(19.17)	(55.46)
Share based payment	205.72	347.67
Foreign exchange difference (net)	(208.89)	1.96
Operating profit before working capital changes	8,165.82	9,962.06
Adjustments for		
Decrease/(Increase) in financial and other assets	889.27	(3,106.30)
Increase/(Decrease) in financial and other liabilities	818.03	(104.80)
Cash generated from operations	9,873.12	6,750.96
Direct taxes paid (net of refunds)	144.31	288.11
Net cash flow from continuing operating activities	10,017.43	7,039.07
Net cash flow from discontinued operating activities	(2.87)	(51.77)
Net cash flow from operating activities - Continuing and Discontinued Operations (A)	10,014.56	6,987.30
Cash flow from investing activities		
Purchase of property, plant and equipments	(3.42)	(99.74)
Purchase of Capital work in progress and Intangible assets under development	-	(86.44)
Sale of investment in subsidiaries	-	8,902.00
Capital advance	(4,487.43)	-
Loans given to related party (net)	1,404.34	(3,865.83)
Interest income on loan to others	211.06	4.55
Interest received	1.94	-
Net cash flow from investing activities	(2,873.51)	4,854.54
Net cash flow from investing activities from Discontinued Operations	-	10,530.50
Net cash flow from investing activities - Continuing and Discontinued Operations (B)	(2,873.51)	15,385.04
Cash flow from financing activities		
Issue of Equity shares	24.00	-
Repayment of non-current borrowings	(502.78)	(2.40)
Short-term borrowings (net)	2,753.64	(5,131.93)
(Decrease) in other bank balances	(0.86)	-
Lease liability paid (including interest Rs. 1,867.16 Lakh, previous year Rs. 1,460.09 Lakh)	(8,376.04)	(5,976.36)
Interest paid	(873.30)	(4,281.35)
Net cash flow from financing activities	(6,975.34)	(15,392.04)
Net cash flow from financing activities from Discontinued Operations	-	(7,336.65)
Net cash flow from financing activities - Continuing and Discontinued Operations (C)	(6,975.34)	(22,728.69)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	165.71	(356.35)
Cash and cash equivalents at the beginning of the year from continuing operations	799.02	915.24
Cash and cash equivalents at the beginning of the year from discontinued operations	0.53	240.66
Less: Cash and cash equivalents from discontinued operations	(0.39)	(0.53)
Cash and cash equivalents at the end of the year from continuing operations (Refer Note No. 15)	964.87	799.02

Consolidated Balance Sheet as at 31st March, 2023

1. Change in liabilities arises from financing activities

(Rs. in Lakh)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
As at 1st April	86,952.43	1,11,661.24
Add: Transaction cost	(151.18)	191.86
Less: Non cash items	1,003.03	(19,766.34)
Less/Add: Cash flow (net)	2,250.86	(5,134.33)
As at 31st March	90,055.14	86,952.43

2. Cross movement of borrowings/ loans & advances:

(Rs. in Lakh)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Short term borrowing		
Amount received during the year	3,985.85	440.34
Less: Amount repaid during the year	(1,232.21)	(5,572.27)
	2,753.64	(5,131.93)
Loans given to related party		
Loan repayment received during the year	4,975.92	18.00
Less: Loan given during the year	(3,571.58)	(3,883.83)
	1,404.34	(3,865.83)

3. Bracket indicates cash outflow.

4. The above cash flow statement has been prepared under the "Indirect Method" as set out in IND AS 7 on Statement of Cash Flow.

5. The Parent Company has assigned advances given to a related party amounting to Rs. 4,477.43 lakh (Previous year Rs. 2,432.09 lakh) against amount payable to another related party in accordance with the deed of assignment.

Notes to the financial statements 1 to 82

As per our report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration Number 116560W/W100149

For and on behalf of the Board of Directors of
Arshiya Limited

Milan Mody
Partner
Membership Number: 103286

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Place: Mumbai
Date: 30th May, 2023

Dinesh Kumar Sodani
Chief Financial Officer

Navnit Choudhary
VP - Commercial

Ajit Dabholkar
Company Secretary

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

Arshiya Limited
Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

1 Corporate Information

Arshiya Limited (hereinafter referred to "the Parent Company" or "the Parent") (CIN: L93000MH1981PLC024747) together with its subsidiaries (collectively referred to as "Group") is a flagship Company of Arshiya Group. It is pioneering Unified Supply Chain and integrated logistics infrastructure solution provider Group headquartered in India. The group businesses comprises of Free Trade and Warehousing Zone (FTWZ), Forwarding, Transport & Handling, Supply Chain and Management solutions, additional sector i.e. Electronic Hardware and Software (including IT / ITES).

The Parent Company is a public company in India and is incorporated on 3rd July, 1981 under the provisions of the Companies Act applicable in India. The registered office of the Parent Company is located at 205 & 206 (Part), 2nd Floor, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400 018.

The Parent Company's equity shares are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) of India.

The Consolidated Financial Statement ("CFS") for the year ended 31st March, 2023 were approved and adopted by board of directors in their meeting held on 30th May, 2023. The CFS comprise of financial statements of the Parent Company and its subsidiaries for the year ended 31st March, 2023.

2 Basis of preparation of consolidated financial statement

2.1 Statement of compliance

The CFS have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs ("MCA") pursuant to the Section 133 of the Companies Act, 2013 ("the Act") read with of the Companies (Indian Accounting Standards) Rules 2015 and relevant amendment rules issued thereafter.

2.2 Basis of measurement

The CFS have been prepared on a historical cost basis, except for certain financial assets and liabilities which are measured at fair value / amortized cost.

Refer Note No. 48 with regard to preparation of financial statements on going concern basis.

2.3 Functional currency

The CFS are presented in Indian Rupees (Rs.) which is the Group's functional and presentation currency and all values are rounded to the nearest lakh as per the requirement of schedule III of the Act, unless when otherwise indicated.

2.4 With respect to one of the subsidiary CIR process has been initiated during the year and Interim resolution professional has been appointed. The management of the Parent Company based on the legal opinion has continued to consolidate the said entity post appointment of IRP in its CFS.

3 Basis for Consolidation

The CFS comprise of the financial statements of the Parent Company and its subsidiaries as at 31st March, 2023. Control is achieved when the Group is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements, the Group's voting rights and potential voting rights and the size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired during the year are included in the CFS from the date the Group obtains control and assets, liabilities, income and expenses of a subsidiary disposed off during the year are included in the CFS till the date the Group ceases to control the subsidiary.

The CFS includes the Financial Statements of the Parent Company and the subsidiaries (as listed in the table below). Subsidiaries are consolidated from the date on which effective control is acquired and are excluded from the date of transfer/disposal.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

S. No.	Name of the entity	Country of Incorporation	Proportion of interest (including beneficial interest) / voting power (either directly / indirectly or through subsidiaries)	
	Direct Subsidiaries:		31st March, 2023	31st March, 2022
(i)	Arshiya Northern FTWZ Limited (ANFL)	India	100%	100%
(ii)	Arshiya Lifestyle Limited (ALL)	India	100%	100%
(iii)	Arshiya Logistics Services Limited (ALSL)	India	100%	100%
(iv)	Arshiya Technologies (India) Private Limited (ATIPL)	India	100%	100%
(v)	Anomalous Infra Private Limited (AIPL) (till 28th March, 2022)	India	Nil	Nil
(vi)	Arshiya Infrastructure Developers Private Limited (AIDPL)	India	100%	100%
(vii)	Unrivalled Infrastructure Private Limited (UIPL)	India	100%	100%
(viii)	Arshiya Northern Projects Private Limited (ANPPL)	India	100%	100%
(ix)	Arshiya Data Centre Private Limited (ADCPL)	India	100%	100%
(x)	AMD Business Support Services Private Limited (AMD) (w.e.f. 8th April, 2020 till 13th August, 2021)	India	Nil	Nil
	Indirect Subsidiaries:			
	Held through Arshiya Logistics Services Limited:			
(xi)	Arshiya 3PL Services Private Limited (A3PL)	India	100%	100%
(xii)	Arshiya Panvel Logistics Services Private Limited (APLSPL)	India	100%	100%
(xiii)	Arshiya Distribution Hub Private Limited (APFTWZ) (w.e.f. 2nd July, 2021)	India	100%	100%
	Held through Arshiya Lifestyle Limited:			
(xiv)	Arshiya Panvel FTWZ Services Private Limited (APFSPL)	India	100%	100%

4 Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.

(b) Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary. The difference between the cost of investment in the subsidiaries and the Parent's share of net assets at the time of acquisition of control in the subsidiaries is recognised in the CFS as goodwill. However, resultant gain (bargain purchase) is recognized in other comprehensive income on the acquisition date and accumulated to capital reserve in equity.

(c) Intra-Group balances and transactions, and any unrealized income and expenses arising from intra Group transactions, are eliminated in preparing the CFS.

(d) Consolidated statement of Profit and Loss and each component of OCI are attributed to the equity holders of the Parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

(e) For the acquisition of additional interests in subsidiaries, where there is no change in the control, the Group recognises a reduction to the non-controlling interest of the respective subsidiary with the difference between this figure and the cash paid, inclusive of transaction fees, being recognised in equity. In addition, upon dilution of controlling interests, the difference between the cash received from sale or listing of the subsidiary shares and the increase to non-controlling interest is also recognised in equity. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in consolidated statement of profit and loss. The results of subsidiaries acquired or disposed off during the year are included in the consolidated statement of Profit and Loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

(f) CFS are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If an entity of the Group uses accounting policies other than those adopted in the CFS for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the CFS to ensure conformity with the Group's accounting policies.

(g) Financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on 31st March. When the end of the reporting period of the Parent is different from that of a subsidiary, if any, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the CFS of the Parent to enable the Parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

5 Significant Accounting Policies

5.1 Property, Plant and Equipment ("PPE")

PPE are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, borrowing cost and any cost directly attributable to the bringing the assets to its working condition for its intended use.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these, will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred.

Depreciation on the PPE is provided using straight line method over the useful life of assets as specified in schedule II to the Companies Act, 2013. Leasehold improvements are amortised over the period of lease or useful life, whichever is earlier. Depreciation on PPE which are added / disposed off during the year, is provided on pro-rata basis with reference to the date of addition / deletion. Freehold land is not depreciated and under the previous GAAP land was revalued. The revalued amount was subsequently taken as the deemed cost in compliance with IND AS 101.

The assets' residual values, useful lives and method of depreciation are reviewed at each financial year end and are adjusted prospectively, if appropriate.

Capital work-in-progress includes cost of PPE under construction / installation / under development as at the balance sheet date.

PPE are eliminated from CFS, either on disposal or when retired from active use. Profits / losses arising in the case of retirement / disposal of PPE are recognised in the consolidated statement of profit and loss in the year of occurrence.

The Group has opted to continue with the carrying values of all of its PPE as recognised in the Previous GAAP financial statements as deemed cost at the transition date i.e. 1st April, 2016.

5.2 Intangible Assets

Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible assets.

Subsequent expenditures related to an item of intangible assets are added to its carrying amount when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured.

Cost of Enterprise Resource Planning (ERP) software including expenditure on implementation is to be amortized over a period of ten years based on management's estimate of useful life over which economic benefits will be derived from its use.

Computer softwares are capitalized at the amounts paid to acquire the respective license for use and are amortized over the period of three to seven years. The assets' useful lives are reviewed at each financial year end.

Trademark are amortised over the period of ten (10) years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit and loss when the asset is derecognised.

Intangible assets under development includes cost of computer software under installation / under development as at the balance sheet date.

The Group has opted to continue with the carrying values of all of its Intangible assets as recognised in the Previous GAAP financial statements as deemed cost at the transaction date i.e. 1st April, 2016.

5.3 Leases

The Group assesses whether a contract is or contains a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether (i) the contract involves the use of identified asset; (ii) the Group has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Group has right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases). For these short term leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using its incremental borrowing rate as the discount rate.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Group changes its assessment of whether it will exercise an extension or a termination option.

ROU assets and Lease liability have been separately presented in the Balance Sheet Notes , and respectively and lease payments have been classified as financing cash flows.

5.4 Inventories

Inventories are measured at lower of cost / deemed cost and net realisable value whichever is lower. In the earlier years, certain portion of the land was transfered to inventory based on the carrying value of PPE (deemed cost) as on that date.

5.5 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand and short-term deposits, as defined above, net of outstanding bank overdrafts as which are considered an integral part of the Group's cash management.

5.6 Impairment of non-financial assets

An asset is considered as impaired when at the date of Balance Sheet, there are indications of impairment and the carrying amount of the asset, or where applicable, the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use).The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the consolidated statement of profit and loss. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

5.7 Financial instruments – initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets -Initial recognition and measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

(ii) Financial assets - Subsequent measurement:

For the purpose of subsequent measurement, financial assets are classified in two broad categories:-

(a) Financial assets at fair value

(b) Financial assets at amortized cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the consolidated statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortized cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

(a) **Business model test:** The objective of the Group's business model is to hold the financial asset to collect the contractual cash flow.

(b) **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at **fair value through other comprehensive income** unless the asset is designated at fair value through profit or loss under the fair value option.

(a) **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets.

(b) **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

Financial assets - Derecognition

A financial assets (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's statement of financial position) when:

(a) The rights to receive cash flows from the asset have expired, or

(b) The Group has transferred its rights to receive cash flow from the asset.

(iii) Financial liabilities - Initial recognition and measurement:

The financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expenses over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of financial instruments, or where appropriate, a shorter period.

Financial liabilities - Subsequent measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts are approximate at their fair value due to the short maturity of these instruments.

Financial Liabilities - Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortization.

Financial Liabilities - Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

Compound Instruments

An issued financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and the residual value is recognised as equity component of other financial instrument. The liability component is subsequently measured at amortised cost, whereas the equity component is not remeasured after initial recognition. The transaction costs related to compound instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognised directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortised using effective interest method.

5.8 Provisions, Contingent Liabilities, Contingent Assets and Commitments:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the consolidated statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the CFS. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

5.9 Dividend Distribution

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors.

5.10 Revenue recognition

Revenue is recognized upon transfer of control of goods or rendering of services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those goods or services.

Generally, control is transfer upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Group has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue is measured at the amount of consideration which the Group expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, net off allowances, trade discounts and excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when the it becomes unconditional.

Revenue from lease of land is recognised as per contract terms agreed between the parties on straight line basis over the lease terms, unless there is another systematic basis which is more representative of the time pattern of the lease.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

Revenue are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

(a) **Free Trade Warehousing Zone (FTWZ)**

(i) Income from allotment of warehousing spaces and open yard area for use are recognised for the period the material is lying in area as per agreed terms.

(ii) Revenue from valued services and other activities is recognised when related services are performed as per the contractual terms.

(b) **Interest income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(c) **Dividend income**

Dividend income is recognised when the right to receive the payment is established, which is generally when shareholders approve the payment of dividend.

Trade Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business.

Trade receivables are measured at their transaction price unless it contains a significant financing component or pricing adjustments embedded in the contract.

Contract liabilities

A contract liability is the obligation to transfer of services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognised when the payment is made Contract liabilities are recognised as revenue when the Group performs under the contract.

5.11 **Foreign currency reinstatement and translation:**

Transactions in foreign currencies are initially recorded by the Group at rates prevailing at the date of the transaction. Subsequently monetary items are translated at closing exchange rates as on balance sheet date and the resulting exchange difference recognised in the consolidated statement of profit and loss. Differences arising on settlement of monetary items are also recognised in the consolidated statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the consolidated statement of profit and loss, within finance costs. All other finance gains / losses are presented in the consolidated statement of profit and loss on a net basis.

5.12 **Employee benefits**

Short term employee benefits are recognized as an expense in the consolidated statement of profit and loss of the year in which the related services are rendered.

(a) **Defined Contribution Plan**

Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

(b) **Defined Benefit Plan**

Leave encashment being a defined benefit plan is accounted for using the projected unit credit method, on the basis of acturial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the year in which they arise. Other costs are accounted in the consolidated statement of profit and loss.

The cost of providing gratuity, a defined benefit plans, is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in the consolidated statement of profit and loss.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

Remeasurements of defined benefit plan in respect of post employment and other long term benefits are charged to the other comprehensive income in the year in which they occur. Remeasurements are not reclassified to the consolidated statement of profit and loss in subsequent periods.

5.13 Taxes on Income

Income tax expense represents the sum of current tax (including MAT and income tax for earlier years) and deferred tax. Tax is recognised in the consolidated statement of profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income.

Current tax provision is computed for income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilized. Deferred tax assets and liabilities are measured at the applicable tax rates. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilized.

MAT payable for a year is charged to the profit or loss as current tax. The Group recognizes MAT credit available in the profit and loss as deferred tax with a corresponding asset only to the extent that there is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The said asset is shown as 'MAT Credit Entitlement' under Deferred Tax. The Group reviews the same at each reporting date and writes down the asset to the extent the Group does not have the probable certainty that it will pay normal tax during the specified period.

5.14 Borrowing costs

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset.

The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

5.15 Earnings per Share

Basic earnings per share is computed using the net profit / loss for the year attributable to the shareholders' and weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit / loss for the year attributable to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

5.16 Current and non-current classification

The Group presents assets and liabilities in statement of financial position based on current / non-current classification.

The Group has presented non-current assets and current assets, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

(a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
(b) Held primarily for the purpose of trading,
(c) Expected to be realised within twelve months after the reporting period, or
(d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when it is:

(a) Expected to be settled in normal operating cycle,
(b) Held primarily for the purpose of trading,
(c) Due to be settled within twelve months after the reporting period, or
(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Group has identified twelve months as its normal operating cycle.

5.17 Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the CFS are categorized within the fair value hierarchy.

5.18 Off-setting financial Instrument

Financial assets and liabilities are offset and the net amount is reported in theconsolidated balance sheet where there is a legally enforceable rights to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable rights must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or counterparty.

5.19 Operating Segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

5.20 Contributed Equity

Equity Shares are classified as equity, incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax from the proceeds.

5.21 Share Based Payment

Equity settled share based payments to employees providing services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity share based payments transactions are set out in Note 57.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Parent Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Parent Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in consolidated statement of profit and loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Employee Stock Options Reserve.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

5.22 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

5.23 Assets (or disposal group) held for sale and discontinued operations

Assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the asset (or disposal group) is recognised at the date of derecognition.

The criteria for held for sale classification is regarded as met only when the assets is available for immediate sale in its present condition, subject to terms that are usual and customary for sales of such assets, its sale is highly probable and it will genuinely be sold.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

Assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the consolidated balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated balance sheet.

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit and loss.

6 Significant accounting judgements, estimates and assumptions

The preparation of the CFS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Group based on its assumptions and estimates on parameters available when the CFS were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

6.1 Property, Plant and Equipment and Intangible Assets

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Group's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate. Refer Note No. 75 as regards judgement in current year.

6.2 Income Tax

The Group reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the financial statements.

6.3 Contingencies

Management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies/claim/litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

6.4 Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

6.5 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent to those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators. Refer note no. 75 as regards judgement exercised in current year.

6.6 Defined benefits plans

The cost of the defined benefit plan and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

6.7 Recoverability of trade receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

6.8 Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

6.9 Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the consolidated balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

6.10 Exceptional Items

Exceptional items are those items that management considers, by virtue of their size or incidence, should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior periods. Such items are material by nature or amount to the year's result and / or require separate disclosure in accordance with Ind AS. The determination as to which items should be disclosed separately requires a degree of judgement. The details of exceptional items are set out in note 42.

6a Recent Accounting pronouncements

On 31st March, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable from 1st April, 2023

- **Ind AS 1 – Preparation of Financial Statements** – The Companies should now disclose "Material Accounting Policies" rather than "Significant Accounting Policies". Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.

- **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors** – "Definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'. As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. A company develops an accounting estimate to achieve the objective set out by an accounting policy. Accounting estimates include:

(a) Selection of a measurement technique (estimation or valuation technique)

(b) Selecting the inputs to be used when applying the chosen measurement technique"

- **Ind AS 12 – Income Taxes** – Narrowed the scope of the Initial Recognition Exemption (IRE) (with regard to leases and decommissioning obligations). Now IRE does not apply to transactions that give rise to equal and offsetting temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

The Group does not expect the consequential amendments to have any significant impact in its CFS.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

7 (a). Property, Plant and Equipment

(Rs. in Lakh)

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Leasehold Improvements	Total
Gross Carrying Value									
As at 1st April, 2021	88,466.49	46,876.26	5,938.52	380.99	69.19	946.95	122.44	-	1,42,800.84
Additions	-	-	29.25	-	-	5.48	23.69	42.56	100.98
Disposals	-	-	-	-	-	-	-	-	-
As at 31st March, 2022	88,466.49	46,876.26	5,967.77	380.99	69.19	952.43	146.13	42.56	1,42,901.82
Additions	-	-	-	-	-	0.82	2.58	-	3.40
Disposals/Discarded	(9,735.11)	-	-	-	-	-	-	-	(9,735.11)
As at 31st March, 2023	78,731.38	46,876.26	5,967.77	380.99	69.19	953.25	148.71	42.56	1,33,170.11
Accumulated Depreciation									
As at 1st April, 2021	-	8,448.50	2,884.20	292.54	35.44	703.11	73.08	-	12,436.87
Depreciation for the year	-	1,401.65	580.04	48.37	4.33	53.57	16.33	3.79	2,108.08
Disposals	-	-	-	-	-	-	-	-	-
As at 31st March, 2022	-	9,850.15	3,464.24	340.91	39.77	756.68	89.41	3.79	14,544.95
Depreciation for the year	-	686.06	467.59	5.81	4.33	21.57	13.60	8.37	1,207.33
Disposals/Discarded	-	-	-	-	-	-	-	-	-
As at 31st March, 2023	-	10,536.21	3,931.83	346.72	44.10	778.25	103.01	12.16	15,752.28
Net Carrying value as at 31st March, 2023	78,731.38	36,340.05	2,035.94	34.27	25.09	175.00	45.70	30.40	1,17,417.83
Net Carrying value as at 31st March, 2022	88,466.49	37,026.11	2,503.53	40.08	29.42	195.75	56.72	38.77	1,28,356.87

Notes:

1) In accordance with the Indian Accounting Standard (IND AS -36) on "Impairment of Assets", the management during the year carried out an exercise of identifying the assets that may have been impaired in accordance with the said IND AS. On the basis of this review carried out by the management, there was no impairment loss on property, plant and equipment during the year ended 31st March, 2023. (Refer Note No.75)

2) For details of securities charged on above property, plant and equipment, refer note no. and .

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

7 (b). Right of Use Assets

(Rs. in Lakh)

Particulars	Buildings	Plant and Equipment	Total
Gross Carrying Value			
As at 1st April, 2021	**22,012.05**	-	**22,012.05**
Additions	11,605.13	25.07	11,630.20
Modification during the year	-	-	-
As at 31st March, 2022	**33,617.18**	**25.07**	**33,642.25**
Addition during the year	-	-	-
Modification during the year	-	-	-
As at 31st March, 2023	**33,617.18**	**25.07**	**33,642.25**
Accumulated Depreciation			
As at 1st April, 2021	**9,009.73**	-	**9,009.73**
Depreciation for the year	4,729.04	3.48	4,732.52
Modification during the year	-	-	-
As at 31st March, 2022	**13,738.77**	**3.48**	**13,742.25**
Depreciation for the year	6,579.16	4.18	6,583.34
Modification during the year	-	-	-
As at 31st March, 2023	**20,317.93**	**7.66**	**20,325.59**
Net Carrying value as at 31st March, 2023	**13,299.25**	**17.41**	**13,316.66**
Net Carrying value as at 31st March, 2022	**19,878.41**	**21.59**	**19,900.00**

Refer Note No. 45 for disclosures relating to Ind AS 116 'Leases'.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
8. Capital work in progress		
Capital work in progress (Refer below notes)	221.44	221.44
Total	221.44	221.44

Notes:

(i) Capital work in progress ageing: (Rs. in Lakh)

Project in progress	As at 31st March, 2023	As at 31st March, 2022
Less than 1 year	-	86.44
1 to 2 years	221.44	135.00
2 to 3 years	-	-
More than 3 years	-	-
Total	221.44	221.44

(ii) Expenditure for construction of warehouse during the year is Rs. Nil (31st March, 2022 - Rs. 12.29 Lakh).

(iii) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, CWIP completion Schedule as at March, 2023

(Rs. in Lakh)

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Data Centre Building	-	-	-	17,290.85	17,290.85
Warehouse Building		-	71.96	-	71.96
Total	-	-	71.96	17,290.85	17,362.81

9. Intangible Assets

(Rs. in Lakh)

Particulars	Trademarks	Software	Total
Gross Carrying Value			
As at 1st April, 2021	0.49	2,210.19	2,210.68
Additions	-	-	-
Disposals	-	-	-
As at 31st March, 2022	0.49	2,210.19	2,210.68
Additions	-	-	-
Disposals/Discarded	-	-	-
As at 31st March, 2023	0.49	2,210.19	2,210.68
Accumulated Amortisation			
As at 1st April, 2021	0.49	1,695.34	1,695.83
Amortisation for the year	-	340.85	340.85
Disposals	-	-	-
As at 31st March, 2022	0.49	2,036.19	2,036.68
Amortisation for the year	-	143.88	143.88
Disposals/Discarded	-	-	-
As at 31st March, 2023	0.49	2,180.07	2,180.56
Net Carrying value as at 31st March, 2023	-	30.12	30.12
Net Carrying value as at 31st March, 2022	-	174.00	174.00

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

(Rs. in Lakh)

Particulars		As at 31st March, 2023	As at 31st March, 2022
Non- Current Financial Assets			
10. Loan			
Unsecured, considered good unless otherwise stated			
Loan to related party (Refer Note No. 62)		-	1,404.34
	Total	-	1,404.34
11. Other Financial Assets			
Security deposits		658.05	3,022.08
Interest receivables		0.63	50.23
	Total	658.68	3,072.31
Non-Current Assets			
12. Other Non- Current Assets			
Capital Advances (Refer Note No. 76)		4,487.43	-
Less: Fair value adjustments		(1,442.58)	-
		3,044.85	-
Prepaid expenses		-	30.58
TDS receivables/Taxes paid		594.93	790.49
VAT Refund receivables (Refer Note No. 54)		2,120.65	2,191.10
	Total	5,760.43	3,012.17
Current Assets			
13. Inventories			
(Valued at lower of Cost and Net Realisable value)			
Land (Refer Note No. 75)		12,537.34	12,537.34
	Total	12,537.34	12,537.34
Current Financial Assets			
14. Trade Receivables			
Secured, Considered good*		188.85	182.59
Unsecured, Considered good		2,963.95	3,838.24
Trade Receivables which have significant increase in credit risk		667.47	520.19
Trade Receivables which have significant increase in credit impaired		673.59	52.74
		4,493.86	4,593.76
Less: Allowance for expected credit loss		(1,341.06)	(572.93)
	Total	3,152.80	4,020.83

** Secured against security deposits of the respective customers*

(A) Trade Receivable ageing schedule:

Outstanding for following periods from due date of payment

(Rs. in Lakh)

Particulars		As at 31st March, 2023	As at 31st March, 2022
Undisputed, considered good			
Not due		862.52	1,052.33
Less than 6 months		1,489.71	1,940.13
6 months to 1 year		564.51	553.18
1 to 2 years		208.32	272.04
2 to 3 years		26.87	201.72
More than 3 years		0.87	1.43
	Total	3,152.80	4,020.83
Undisputed Trade Receivables which have significant increase in credit risk			
Less than 6 months		91.86	93.45
6 months to 1 year		340.12	289.13
1 to 2 years		120.56	87.95
2 to 3 years		56.92	49.66
More than 3 years		58.01	-
	Total	667.47	520.19

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Undisputed Trade Receivables which have significant increase in credit impaired		
Less than 6 months	1.79	-
6 months to 1 year	469.41	-
1 to 2 years	5.89	14.37
2 to 3 years	98.29	18.56
More than 3 years	98.21	19.81
Total	**673.59**	**52.74**

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
15. Cash and Cash Equivalents		
Balances with banks:		
- in current accounts	964.81	786.39
Cash on hand	0.06	12.63
Total	**964.87**	**799.02**

15.1 Cash and cash equivalents as at 31st March, 2023 comprises of restricted bank balances held in escrow account with bank amounting to Rs. 923.01 Lakh (31st March, 2022 - Rs. 741.54 Lakh). This account can only be operated with the specific permission / instruction in terms of the Escrow Agreement.

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
16. Other Bank Balances		
Deposits with bank to the extent held as security (refer below note)	23.03	15.03
Total	**23.03**	**15.03**

Note:

Deposits with bank to the extent held as security of Rs. 15.03 Lakh against guarantee given to Maharashtra Pollution Control Board and security of Rs. 8.00 Lakh against Bank overdraft facility.

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
17. Loans		
Unsecured, considered good unless otherwise stated		
Loan to Related Party (Refer Note No.62)	325.00	325.00
	325.00	**325.00**
Less: Allowance for bad and doubtful loan (Refer Note No. 17.1)	(325.00)	-
Total	-	**325.00**

17.1 A subsidiary i.e. ANFL had given loan with interest of Rs. 325.00 lakhs to Novel FTWZ Limited (Novel) for working capital requirement on 30th March, 2019 for one year, which was renewed for further 3 years which ended on 31st March, 2023. The lender of Novel has filed a legal suit against it for recovery of outstanding loan given to Novel and the matter is sub-judice. Considering the ongoing legal suit filed by the lender of Novel for recovery of loan and other dues, the Management of the said subsidiary did not expect the repayment thereof on the due date i.e. 31st March, 2023 and hence, decided to provide allowance for the loan amount and interest accrued thereon as upto 30th September, 2022. Further, effective 1st October, 2022 the Management of the said subsidiary has decided not to accrue interest income.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
18. Other Financial Assets		
Security deposits	6,513.28	4,567.11
Unbilled revenue	2,646.70	2,365.04
Less: Allowance for expected credit loss	(336.64)	-
Interest accrued on fixed deposits	35.69	32.62
Interest receivables	136.75	124.02
Less: Allowance for bad and doubtful loan (Refer Note No. 17.1)	(136.75)	-
Other recoverables (Refer Note No. 49)	10,569.78	1,188.82
Total	19,428.81	8,277.61
19. Other Current Assets		
Advances to suppliers	161.06	1,025.64
Advances to employees	3.21	20.56
Prepaid expenses	41.71	60.86
Advance TDS	24.57	-
Balances with Statutory, Government authorities	79.12	52.70
Cash seized by Government Authority	11.20	-
Total	320.87	1,159.76

Particulars	As at 31st March, 2023	As at 31st March, 2022
20. Assets held for sale (Refer Note No. 55)		
Property, Plant and Equipment	7,068.22	7,068.22
Balance with bank in current account	0.39	0.53
Total	7,068.61	7,068.75

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
21. Share Capital		
Authorised		
(i) 28,75,00,000 (31st March, 2022 - 28,75,00,000) Equity Shares of Rs. 2 each	5,750.00	5,750.00
(ii) 30,00,000 (31st March, 2022 - 30,00,000) 0% Optionally Convertible Redeemable Preference Shares (OCRPS) of Rs. 10 each	300.00	300.00
Total	6,050.00	6,050.00
Equity Share Capital - issued, subscribed and fully paid		
26,34,75,915 (31st March, 2022 - 26,22,75,915) Equity Shares of Rs. 2 each	5,269.52	5,245.52
Total	5,269.52	5,245.52

(a) Terms and rights

(i) Terms and rights attached to equity shares

The Parent Company has one class of equity share having a par value of Rs. 2 per share. Each holder of equity share is entitled to one vote per share. The shareholders who held shares on the record date are entitled to dividend as may be proposed by the Board of Directors and is subject to approval of the Shareholders at the ensuing General Meeting.

In the event of liquidation of the Parent Company, the holders of Equity Shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholders.

(ii) Terms and rights attached to 0% Optionally Convertible Redeemable Preference Shares (OCRPS)

The Parent Company has 0% optionally convertible redeemable preference shares having a par value of Rs. 10 per share. Each holder of OCRPS has right / entitled to convert into equity shares within 18 months from the date of issue or redemption from the end of 19th year to 23rd year as per terms.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

(b) Reconciliation of equity shares outstanding as at the beginning and end of the year

Particulars	Number of Shares	Rs. in Lakh
Balance as at 1st April 2021	26,22,75,915	5,245.52
Add: Issued during the year	-	-
Balance as at 31st March, 2022	26,22,75,915	5,245.52
Add: Issued during the year (Refer Note No. 57)	12,00,000	24.00
Balance as at 31st March, 2023	26,34,75,915	5,269.52

(c) Details of equity shares held by the shareholders holding more than 5% of the aggregate shares in the Parent Company

(i) Details of equity shares held by the shareholders holding more than 5% of the aggregate shares in the Parent Company

Name of the shareholder	As at 31st March 2023		As at 31st March 2022	
	Number of Shares	Percentage (%) shareholding	Number of Shares	Percentage (%) shareholding
Archana A Mittal	4,93,09,788	18.72%	6,42,37,278	24.49%
Ajay S Mittal	2,33,56,437	8.86%	3,83,56,437	14.62%
Edelweiss Asset Reconstruction Company Limited (through various EARC trusts)	6,12,12,215	23.23%	6,00,59,821	22.90%

The above information is based on the detail received from share transfer agent.

(ii) Details of Shareholding of Promoters

Name of the shareholder	Number of Shares	Percentage (%) shareholding	% Change during the year
Year ended 31st March, 2023			
Archana A Mittal	4,93,09,788	18.72%	-5.78%
Ajay S Mittal	2,33,56,437	8.86%	-5.76%
Year ended 31st March, 2022			
Archana A Mittal	6,42,37,278	24.49%	-8.32%
Ajay S Mittal	3,83,56,437	14.62%	0.00%

Promoters's shareholding decreased in compared to previous year due to invocations / sale of pledged shares. During the year, 2,99,27,490 number of promoter's equity shares has been invoked by the lenders (refer note no. 28.3.1).

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
22. Other Equity		
(i) Capital Reserve		
Balances as at the beginning and end of the year	1.58	1.58
(ii) Amalgamation Reserve		
Balances as at the beginning and end of the year	124.80	124.80
Reserve and Surplus		
(iii) Securities Premium Account		
Balances as at the beginning of the year	60,703.59	60,703.59
Add: On issue of Equity Shares	362.16	-
Balances as at the end of the year	**61,065.75**	**60,703.59**
(iv) Employee Stock Options Reserve (Refer Note No. 57)		
Balances as at the beginning of the year	347.66	-
Add: Share based payment	205.72	347.66
Less: On issue of Equity Shares	(362.16)	-
Balances as at the end of the year	**191.22**	**347.66**
(v) General Reserve		
Balances as at the beginning and end of the year	940.18	940.18
(vi) Retained Earnings		
Balances as at the beginning of the year	(36,140.71)	(78,524.10)
Less: (Loss) / Profit for the year	(15,684.69)	42,390.77
Less: Other comprehensive income	6.92	(7.38)
Balances as at the end of the year	**(51,818.48)**	**(36,140.71)**
Total (i to vi)	**10,505.05**	**25,977.10**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

Nature and purpose of Reserve and Surplus:

(a) Securities Premium Account:
Securities premium account is created to record premium received on issue of equity shares. The reserve is utilized in accordance with the provision of the Companies Act, 2013.

(b) General Reserve:
General Reserve is used for time to time transfer of profits from Retained Earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit and loss.

(c) Amalgamation Reserve:
Amalgamation reserve is created on account of scheme of amalgamation of erstwhile BDP (India) Private Limited with the Parent Company approved by the Hon'ble High Court of Judicature at Bombay in earlier years.

(d) Employee Stock Options Reserve:
Employee stock reserve is created on account of Employee Stock Option granted to the Group employees.

(e) Retained Earnings:
Retained Earnings are the profit/(loss) of the Group earned till date net of appropriations.

Further, the Parent Company and one of the subsidiary company had revalued freehold land based on independent professional valuation report and had a balance of Rs. 42,819.85 lakh in revaluation reserve on the date of transition, i.e. 1st April, 2016. Under Ind AS, the Parent Company and the said subsidiary company has adopted previous GAAP carrying value as deemed cost for PPE as on transition date and accordingly revaluation reserve has been transferred to retained earnings based on clarification issued by Ind AS Technical Facilitation Group ('ITFG'). The aforementioned revaluation reserve is not a free reserve as per the Companies Act, 2013 and hence is not available for distribution as dividend.

(f) Capital Reserve
Capital Reserve represents the difference between value of the net assets transferred to the Group in the course of business combinations and the consideration paid for such combinations.

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non-Current Liabilities		
23. Borrowings		
Secured		
(a) Term Loans		
From Banks (Refer Note No. 23.1)	43,141.62	47,580.18
From Other Parties (Refer Note No.)	87,368.11	75,176.67
(b) Vehicles Loan from bank (Refer Note No)	2.61	5.38
	1,30,512.34	1,22,762.23
Less: Current maturities of long term loans:		
From Banks	16,722.09	17,241.41
From Other parties	65,236.00	46,704.14
Less: Current maturities of Vehicle loans	2.61	3.17
Less: Interest accrued and due	39,677.73	31,756.80
Less: Interest accrued but not due	8,873.91	8,673.83
	1,30,512.34	1,04,379.35
Total	-	18,382.88

As stated refer notes no. 49, 50, and 51.

The Parent Company and one of the subsidiary i.e. ANFL has defaulted in repayment of loan from banks and other parties and according to the agreed terms with the lender the entire loan became due on the day of default. Accordingly the entire amount has been disclosed as current maturities for long term borrowings under short term borrowings.

The terms and conditions stated below are considered based on the latest settlement with the respective lenders wherever applicable.

23.1 Rupee Term loan from Banks:

23.1.1 Parent Company

(1) Rupee loan of Rs. 971.41 Lakh (31st March, 2022 - Rs. 1,471.41 Lakh) (Refer Note No. 51.2):

(a) Securities provided:
(i) Second charge on movable and immovable property, plant and equipments of the Parent Company, present and future on pari-passu.
(ii) The above loan is secured by personal guarantees of two Promoter Directors of the Parent Company.

(b) Terms of Interest rate:
Rate of interest is @ 11.70% p.a.

(c) Terms of Repayment
Rupee term loan is repayable on or before 30th June 2022.

(d) The bank has been in default for the repayment of principal amount of Rs. 971.41 Lakh since 30th June, 2022 (31st March, 2022 - Rs. Nil).

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

(2) Rupee loan of Rs. 3,200.00 Lakh (31st March, 2022 - Rs. 3,200.00 Lakh):

(a) Details of security

(i) Second charge on movable and immovable Panvel assets of the Parent Company except for the excluded properties under Lease Agreement dated 3rd February, 2018

(ii) Second charge on present and future receivables including the amount deposited to the EARC TRA account of the Parent Company .

(iii) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(b) Terms of Interest rate

Rate of Interest is @ 14.50% p.a.

(c) Terms of Repayment

Rupee term loan is repayable in Bullet payment at the end of the tenure of loan i.e. 36 months from the date of disbursement i.e. 21st March, 2018.

(d) The Parent Company has been in default for the repayment of principal amount of Rs. 3,200.00 Lakh since FY 2020-21.

(3) Rupee term loan of Rs. 474.30 Lakh (31st March, 2022 - Rs. 474.30 Lakh):

(a) Details of security

(i) Second charge on movable and immovable Panvel assets of the Parent Company except for the excluded properties under Lease Agreement dated 3rd February, 2018

(ii) Second charge on present and future receivables including the amount deposited to the EARC TRA account of the Parent Company.

(iii) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(b) Terms of Interest rate

Rate of Interest is @ 14.50% p.a.

(c) Terms of Repayment:-

Rupee term loan is repayable in 78 equal monthly instalment commencing from the date of first disbursement i.e. 31st August, 2018.

(d) The Parent Company has been in default for the repayment of principal amount of Rs. 474.30 Lakh (31st March, 2022 - Rs. 474.30 Lakh) since 31st January, 2019.

23.1.2 ANFL (Subsidiary company)

(1) Rupee Term loans - Rs. 12,076.38 Lakh (31st March, 2022 - Rs. 12,095.70 Lakh) (Refer Note No. 51.5):

(a) Securities provided:

(i) First charge on fixed assets of ANFL both present and future on pari passu basis.

(ii) First Pari Passu charge/assignment/security interest on the ANFL's rights under the project documents, contracts (including guarantees) and all licenses, permits, approvals, consents and insurance policies.

(iii) Assignment of contractor guarantees, liquidated damages, letter of credit, guarantee or performance under any project agreement or contract in favour of ANFL.

(iv) Second charge on current assets of ANFL.

(v) Pledge of 40,52,778 equity shares of ANFL held by the Parent Company.

(vi) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(vii) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of Interest rate:

Rate of interest is @ 13% p.a.

(c) Terms of Repayment:- (Rs. in Lakh)

Year	Loan from Banks
FY 2012-2013	576.42
FY 2013-2014	1,410.23
FY 2014-2015	1,680.76
FY 2015-2016	8,408.97
Total	**12,076.38**

(d) The Banks has been recalled loan of Rs. 12,076.38 Lakh (31st March, 2022 - Rs. 12,095.70 Lakh).

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

Details of default in repayment of principal on secured loans as on 31st March, 2023 are as follows:

Year	Rs. in Lakh
FY 2012-2013	576.42
FY 2013-2014	1,410.23
FY 2014-2015	1,680.76
FY 2015-2016	8,408.97
Total	12,076.38

23.2 Term loans from Other Parties:

23.2.1 Parent Company

(1) Rupee term loan of Rs. 38,486.00 Lakh (31st March, 2022 - Rs. 38,390.67 Lakh) (Refer Note No. 51.1):

(a) Security provided:

(i) First charge in all the present and future movable and immovable property, plant and equipment including intangible assets, assignment of rights and benefits of the Parent Company but excluding project assets for Khurja FTWZ project, Khurja Distripark Project, Nagpur project and Rail project on pari passu basis.

(ii) Second charge on current assets of the Parent Company but excluding current assets for Khurja FTWZ project, Khurja Distripark Project, Nagpur project and Rail project on pari passu basis.

(iii) first pari passu charge by way of hypothecation on the Panvel Receivables both existing and future of whatsoever nature.

(iv) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(v) The loans are secured by pledged of shares held by the two Promoter Directors of the Parent Company.

(b) Terms of Interest rate

Rate of Interest is @ 12% p.a. monthly accrual.

(c) Terms of Repayment:-

Year	Rs. in Lakh
FY 2021-22	2,510.00
FY 2022-23	17,500.00
FY 2023-24	18,500.00
Total	38,510.00

(d) The Parent Company has been in default for the repayment of principal amount of Rs. 20,010.00 Lakh (31st March, 2022 - Rs. 2,510.00 Lakh).

(e) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. 24.00 Lakh (31st March, 2022 - Rs. 119.33 Lakh).

(2) Loan of Rs. 5,000.00 Lakh (31st March, 2022 - Rs. 5,000.00 Lakh) (Refer Note No. 49):

(i) Secured by first and exclusive charge on land situated at Village Butibori at Nagpur, Maharashtra.

(ii) The above loan is secured by personal guarantees of two Promoter Directors of the Parent Company.

(iii) Rate of interest is @ 20% p.a.

(3) Loan of Rs. 2,000.00 Lakh (31st March, 2022 - Rs. 2,000.00 Lakh) (Refer Note No. 50):

(i) Secured by first and exclusive charge on land of Arshiya Rail Infrastructure Limited situated at Khurja, Bulandshahr, Uttar Pradesh.

(ii) The above loan is secured by personal guarantees of two Promoter Directors of the Parent Company.

(iii) Rate of interest is @ 18% p.a.

(4) Rupee term loan of Rs. 2,650.00 Lakh (31st March, 2022 - Rs. 2,650.00 Lakh):

(a) Securities provided

(i) Second charge by way of equitable mortgage/hypothecation on the entire immovable and movable property, plant and equipment of the Parent Company on pari-passu basis.

(ii) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(b) Terms of Repayment:-

Rupee term loan is repayable in 13 structured quarterly instalments commencing from 31st January, 2018.

(c) The Parent Company has been in default for the repayment of principal amount of Rs. 2,650.00 Lakh. (31st March, 2021 - Rs. 2,650.00 Lakh) since 30th June, 2018.

(5) Rupee term loan of Rs. 2,100.00 Lakh (31st March, 2022 - Rs. 2,100.00 Lakh):

(a) Securities provided

(i) The above loan are secured by charge on residual cashflow of the Parent Company.

(ii) The above loans are secured by the immovable property held by one Promoter Director of the Parent Company on pari passu basis.

(iii) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(iv) The above loans are secured by pledged of shares held by the one Promoter Director of the Parent Company.

(b) Terms of Interest rate

Rate of Interest is @ 18% p.a.compounded half yearly.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

(c) The above loan is assigned to Assets Reconstruction Company (ARC) in the financial year 2021-22. The Parent Company continues to provide interest in line with major terms of earlier sanction letter until the finalisation of the restructuring agreement. Upon finalization of the terms of restructuring with ARC, the Parent Company shall record the effect of the revised terms as to the repayment of principal and interest.

23.2.2 ANFL (Subsidiary company)

(1) Rupee term loan from Other Parties of Rs. 15,000.00 Lakh (31st March, 2022 - Rs. 14,944.14 Lakh) (Refer Note No. 51.1):

(a) Security provided:

(i) First charge on fixed assets of ANFL both present and future on pari passu basis.

(ii) First Pari Passu charge/assignment/security interest on the ANFL's rights under the project documents, contracts (including guarantees) and all licenses, permits, approvals, consents and insurance policies.

(iii) Assignment of contractor guarantees, liquidated damages, letter of credit, guarantee or performance under any project agreement or contract in favour of ANFL.

(iv) Second charge on current assets of ANFL.

(v) Pledge of 40,52,778 equity shares of ANFL held by the Parent Company.

(vi) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(vii) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of Interest rate:

Rate of Interest is @ 12% p.a. compounded monthly.

(c) Terms of Repayment:-

Year	Rs. in Lakh
30th June 2022	10,000.00
31st December 2022	5,000.00
Total	15,000.00

(d) ANFL has been in default for the repayment of principal amount of Rs. 15,000.00 Lakh (31st March, 2022 - Rs. Nil).

(e) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. Nil (31st March, 2022 - Rs. 55.86 Lakh).

Vehicle loans from Bank:

Two vehicle loans are secured by way of hypothecation of vehicles. Rate of interest for both the loan is @ 8.55% p.a. and repayment tenure in monthly instalment up to October 2023 and January 2024 respectively.

(Rs. in Lakh)

Particulars		As at 31st March, 2023	As at 31st March, 2022
24. Lease Liabilities			
Lease Liabilities (Refer Note No.45)		7,575.29	14,974.85
	Total	7,575.29	14,974.85
25. Other Financial Liabilities			
Financial Liabilities at amortised cost			
Security deposit from customers		1,114.90	865.74
Financial guarantees obligations		-	3.70
	Total	1,114.90	869.44
26. Provisions			
Provision for employee benefits (Refer Note No.47)			
Gratuity		84.23	87.57
Leave encashment		27.15	29.98
	Total	111.38	117.55
27. Other Non-Current Liabilities			
Advance warehouse rent		488.49	2.94
	Total	488.49	2.94

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current Financial Liabilities		
28. Borrowings		
Secured		
(a) Working Capital facility (Cash Credit from banks) (Refer Note No. 28.1)	63.30	63.30
(b) Loan from Other Parties (Refer Note No. 28.2)	6,792.18	4,322.18
(c) Current maturities of long term debts from banks (Refer Note No. 23.1)	16,722.09	17,241.41
(d) Current maturities of long term debts from other parties (Refer Note No. 23.2)	65,236.00	46,704.14
(e) Current maturities of vehicle loan (Refer Note No. 23.3)	2.61	3.17

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

Unsecured		
(a) Loans from Promoter Directors (Refer Note No.)	1,145.34	152.60
(b) Inter Corporate Deposits (Refer Note No.)	77.00	77.00
(c) Loans from Related Party (Refer Note No.)	16.62	5.75
Total	**90,855.14**	**68,569.55**

28.1 Working capital facility (Cash Credit) from bank:

28.1.1 ANFL (Subsidiary company)

(1) Rs. 63.30 Lakh (31st March, 2022 - Rs. 63.30 Lakh):

(a) Securities provided :

(i) First charge on entire current assets of ANFL both present and future on pari passu basis.

(ii) Second pari passu charge on the assets charged for term loan of ANFL on first pari passu charge to lenders.

(iii) Pledge of 40,52,778 equity shares of ANFL held by the Parent Company.

(iv) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(v) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of interest:

Rate of interest on working capital is @ 14% p.a.

(c) ANFL has been in continuing default for the repayment of outstanding principal loan amount of Rs. 63.30 Lakh since FY 2014-15.

28.2 Loan from Other Parties:

28.2.1 Parent Company

(1) Loan of Rs. 3,722.18 Lakh (31st March, 2022 - Rs. 3,722.18 Lakh)

(a) Securities provided

(i) Priority charges on all present and future cash flows, all assets and movable collateral available to the existing lenders of the Parent Company as per the Deed of Hypothecation.

(ii) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(b) Terms of interest: @ 18% p.a.

(c) The Parent Company has been in default for the repayment of outstanding principal loan amount of Rs. 3,722.18 Lakh (31st March, 2022 - Rs. 3,722.18 Lakh) since 30th June 2018.

(2) Loan of Rs. 200.00 Lakh (31st March, 2022 - Rs. 600.00 Lakh) (Refer Note No. 51.3)

(a) Securities provided

(i) Exclusive charges on cash flows of Domestic warehousing building.

(ii) The above loans are secured by mortgage over lands admeasuring 6,340 Sq. mt. of the Parent Company and wholly owned subsidiary company and 790 Sq. mt. of NCR Rail Infrastructure Limited (formerly known as Arshiya Rail Infrastructure Limited).

(iii) The above loans are secured by personal guarantees of two Promoter Director of the Parent Company.

(iv) The above loans are secured by corporate guarantees of NCR Rail Infrastructure Limited and Arshiya Northern FTWZ Limited.

(b) Terms of interest: @ 11% p.a.

(c) Terms of Repayment:-

Year	Rs. in Lakh
25th April, 2022	200.00
25th June, 2022	200.00
25th August, 2022	200.00
Total	**600.00**

(d) The Parent Company has been in default for the repayment of outstanding principal loan amount of Rs. 200.00 Lakh since 25th August, 2022 (31st March, 2022 - Rs. Nil).

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

(e) The Lender has also claimed to Arshiya Northern FTWZ Limited as a corporate guarantor.

28.2.2 ANFL (Subsidiary company)
(1) Loan of Rs. 2,870.00 Lakh (31st March, 2022 - Rs. Nil)
(a) Securities provided
(i) Second charge on: (a) on 4.51 acres land situated at Khurja FTWZ; and (b) Khurja Warehouse Property (Warehouse no. 54); collectively referred as "Mortgaged Properties"

(ii) Second charge by hypothecation of all development, ownership, leasehold rights and other rights and benefits in respect of the Mortgaged Properties ("Rights"), including but not limited to the proceeds and consideration receivable by ANFL, such as lease rentals, parking income, any other income, operation and maintenance charges, common infrastructure charges, sale consideration, deposit / premium, business centre fees, license fees, rent outstanding, claims, present and future book debts, outstanding moneys receivable, claims, bills, insurance proceeds, Bank Accounts, Designated Bank Account, which are now due and owing or which may, at any time, become due and owing to ANFL from any person in respect of the Mortgage Properties and Rights ("Receivables");

(iii) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of interest rate:
Rate of interest is @ 14.00% p.a. accrual quaretrly.

(c) Terms of Repayment
The loan is repayable by 31st December 2022 or such extended time as determined by the Lender.

(d) The loan has been in default for the repayment of principal amount of Rs. 2,870.00 Lakh since 31st December, 2022 (31st March, 2022 - Rs. Nil).

28.3 Unsecured Loan from Promoter Directors:

28.3.1 Parent Company
Loans from promoter directors of the Parent Company are interest free and repayable on demand. During the year, 2,99,27,490 number of promoter's equity shares has been invoked by the lenders. The Parent Company has given the effect for 1,49,27,490 number of shares based on information received from the lender by debiting lender account and credited to promoter unsecured loan account. The management/promoter is following up with the lenders for the information of realised value for balance 1,50,00,000 shares.

28.4 Unsecured Loan Inter Corporate Deposits:

28.4.1 Parent Company
Intercorporate Deposit of Rs. 77.00 Lakh (31st March, 2022 - Rs. 77.00 Lakh) is interest free and repayable on demand.

28.5 Unsecured Loan from Related Party:

28.5.1 ANFL (Subsidiary company)
Unsecured loan from related party is interest free and repayable at the end of one year.

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
29. Trade Payables		
Total Outstanding Dues of Micro and Small Enterprises (Refer Note No.46)	662.75	580.11
Total Outstanding Dues of Creditors Other than Micro and Small Enterprises	1,675.29	1,625.27
Total	2,338.04	2,205.38

Notes:
(A) The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Group.

(B) Trade payable ageing schedule:
Outstanding for following periods from due date of payment (Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Micro and Small Enterprises		
Not Due	470.45	66.04
Less than 1 year	179.29	458.89
1 to 2 years	9.82	37.28
2 to 3 years	2.08	9.49
More than 3 years	1.11	8.41
Total Micro and Small Enterprises	662.75	580.11
Other than Micro and Small Enterprises		
Not Due	493.59	431.02
Less than 1 year	426.88	472.86
1 to 2 years	60.40	41.34
2 to 3 years	28.20	35.41
More than 3 years	95.83	105.39
Total Other than Micro and Small Enterprises	1,104.90	1,086.02

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Disputed		
Micro and Small Enterprises		
Less than 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	-	-
Total Micro and Small Enterprises	-	-
Other than Micro and Small Enterprises		
Less than 1 year	42.25	42.25
1 to 2 years	39.00	39.00
2 to 3 years	39.00	35.75
More than 3 years	450.14	422.25
Total Other than Micro and Small Enterprises	570.39	539.25

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
30. Lease Liabilities		
Lease Liabilities (Refer Note No. 45)	7,228.11	6,337.43
Total	**7,228.11**	**6,337.43**

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
31. Other Financial Liabilities		
Financial Liabilities at amortised cost		
Interest accrued and due on non-current borrowings (Refer Note No. 31.1)	39,677.73	31,756.80
Interest accrued and due on current borrowings (Refer Note No. 31.1)	2,307.35	700.68
Interest accrued but not due on borrowings (Refer Note No. 23.1)	8,873.91	8,673.83
Interest payable on delayed payments to MSME creditors (Refer Note No. 46)	7.26	13.73
Deposits from customers	582.78	522.75
Financial Guarantees Obligations	309.98	306.28
Bank Overdraft (Refer Note No. 31.3)	7.14	-
Payable for capital goods	2,089.97	1,628.75
Dues to employees (including full and final settlement)	355.43	309.66
Other Payables	10.00	50.00
Total	**54,221.55**	**43,962.48**

31.1 Details of default in payment of interest on secured loans as on 31st March, 2023 are as follows:

(Rs. in Lakh)

Year	Banks	Others	Total
FY 2013-2014	1,364.42	-	1,364.42
FY 2014-2015	1,246.25	-	1,246.25
FY 2015-2016	1,406.79	-	1,406.79
FY 2016-2017	1,575.79	-	1,575.79
FY 2017-2018	1,923.39	-	1,923.39
FY 2018-2019	3,437.93	45.00	3,482.93
FY 2019-2020	3,242.75	240.00	3,482.75
FY 2020-2021	3,695.93	498.00	4,193.93
FY 2021-2022	4,222.73	1,556.20	5,778.93
FY 2022-2023	5,126.25	12,403.65	17,529.90
Total	**27,242.23**	**14,742.85**	**41,985.08**

31.2 Interest accrued but not due comprises of interest accounted on borrowings for which terms of restructuring not yet finalised and management has provided interest in line with sanction letters / major terms negotiated until the finalisation of the restructuring agreement. (Refer Note No. 23.2.1 (5) and 50)

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

31.3 Bank Overdraft facilities is secured by Fixed Deposit of Rs. 8.00 Lakh held in Bank.

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
32. Other Current Liabilities		
Trade advances received	216.24	202.47
Advance warehouse rent	110.54	55.35
Statutory Liabilities		
Statutory dues (Refer below Note below)	818.99	2,088.66
Interest on delayed payment of statutory dues	848.29	1,353.19
Total	1,994.06	3,699.67

Notes:

Statutory dues includes Tax deducted at sources (TDS), Goods and Service Tax (GST) Provident Fund (PF), Profession Tax (PT) and Employee State Insurance Corporation (ESIC).

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
33. Provision		
Provision for employee benefits (Refer Note No. 47)		
Gratuity	7.02	5.85
Leave encashment	8.86	9.12
Total	15.88	14.97

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
34. Liabilities associated with assets classified as held for sale (Refer Note No. 55)		
Trade Payables (Other than MSME)	3.05	3.73
Statutory dues (Tax deducted at source)	0.20	0.15
Total	3.25	3.88

Notes:

(A) Trade payable ageing schedule:

Outstanding for following periods from due date of payment

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Micro and Small Enterprises		
Not Due	-	-
Less than 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	-	-
Total Micro and Small Enterprises	-	-
Other than Micro and Small Enterprises		
Not Due	2.05	2.78
Less than 1 year	1.00	0.95
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	-	-
Total Other than Micro and Small Enterprises	3.05	3.73
Disputed		
Micro and Small Enterprises		
Less than 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	-	-
Total Micro and Small Enterprises	-	-
Other than Micro and Small Enterprises		
Less than 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	-	-
Total Other than Micro and Small Enterprises	-	-

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

(Rs. in Lakh)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
35. Revenue From Operations		
Free Trade and Warehousing Zone operations		
Storage income	9,955.75	9,508.47
Conditional Lease rent	530.65	2,109.59
Transportation income	2,326.85	2,004.96
Material handling and other services	1,417.55	1,388.10
Consideration on Lease of Land	6.00	3.00
Other Operating income	20.86	-
Total	**14,257.66**	**15,014.12**
36. Other Income		
Interest income on bank fixed deposits	5.01	3.18
Interest income on loans to erstwhile subsidiary	174.19	95.73
Interest income on tax refunds	19.17	55.46
Other Non Operating Income		
Financial assets carried at amortised cost	360.31	262.73
Financial guarantee income	15.00	321.28
Net gain on foreign currency transaction and translation	208.89	-
Sundry balance written back (net)	321.45	13.24
Rent concession	3.76	-
Gain on disposal of Property, Plant and Equipment (net) (Refer Note No. 49)	564.89	-
Gain on sale of subsidiary (Refer Note No. 56)	-	8,902.00
Refund of Goods and Services Tax	285.99	-
Miscellaneous income	1.26	20.47
Total	**1,959.92**	**9,674.09**
37. Warehousing, transportation and handling costs		
Material handling expenses & Other services	1,082.27	885.00
Transportation expenses	930.43	890.45
Warehousing storage charges	25.46	-
Other operating expenses	19.38	-
Total	**2,057.54**	**1,775.45**
38. Employee Benefits Expense		
Salaries, wages and bonus	1,612.35	1,573.14
Contribution to provident and other funds	49.18	51.23
Share based payments (Refer Note No. 57)	205.72	347.67
Staff welfare expenses	22.48	24.59
Total	**1,889.73**	**1,996.63**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

(Rs. in Lakh)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
39. Finance Cost		
Interest expense on borrowings	19,290.21	14,365.23
Unwinded Interest expense on Security Deposits	65.03	83.15
Unwinded Interest expense on Lease Liabilities (Refer Note No. 45)	1,867.16	1,460.09
Interest expense on MSMED vendors (Refer Note No. 46)	4.03	10.09
Interest expense on statutory dues	117.75	253.97
Interest expense on others	377.19	17.94
Other borrowing costs	24.98	26.93
	21,746.35	16,217.40
Less: Reversal of Interest on statutory dues	(561.13)	-
Total	**21,185.22**	**16,217.40**
40. Depreciation and Amortisation Expense		
Depreciation on Property, Plant and Equipment	1,207.34	2,108.10
Depreciation on Right of Use Assets (Refer Note No.45)	6,583.34	4,732.52
Amortisation of Intangible Assets	143.89	340.85
Total	**7,934.57**	**7,181.47**
41. Other Expenses (Refer Note No. 73)		
Electricity charges	512.33	437.25
Rent	-	0.82
Repairs and maintenance:		
-Building	30.84	71.54
-Plant and Machinery	96.15	82.76
-Others	31.17	36.51
Insurance	59.44	40.10
Rates and taxes	81.59	45.67
Communication expenses	17.37	21.16
Travelling and conveyance expenses	91.56	75.26
Vehicle expenses	21.04	22.11
Printing and stationery	23.71	24.84
Legal and professional fees	1,007.27	222.34
CIRP expenses	3.00	-
Security charges	336.71	327.90
Advertisement and Business Promotion expenses	109.43	5.45
Auditor's remuneration:		
- Audit Fees	68.23	96.95
- Limited Review Fees	32.00	15.00
Allowance for doubtful debts	1,104.78	146.69
Bad Debts	1,358.54	1,495.12
Net loss on foreign currency transaction and translation	-	1.96
Miscellaneous expenses	74.44	85.59
Director sitting fees	3.50	3.50
Sundry balance written off (net)	-	4.48
Cost Recovery and other Charges	41.52	33.37
Discarding/written off of Property, Plant and Equipment and Intangible assets	-	60.00
Fair value adjustment in respect of capital advances (Refer Note No. 76)	1,442.58	-
Allowance for bad and doubtful loan	461.75	-
Total	**7,008.95**	**3,356.37**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

(Rs. in Lakh)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
42. Exceptional Items		
Gain on settlement of debts (net) (Refer Note No. 52)	8,221.83	48,988.99
Total	**8,221.83**	**48,988.99**

(Rs. in Lakh)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
43. Post-tax loss for the year from Discontinued Operations		
Revenue From Operations	-	190.74
Other Income	0.40	0.62
Total Income (a)	**0.40**	**191.36**
Expenses		
Material handling expenses & Other services	-	8.43
Finance costs	-	711.65
Depreciation and amortization expenses	-	145.43
Other expenses	2.64	56.14
Total Expenses (b)	**2.64**	**921.65**
(Loss) for the year from Discontinued Operations before tax (a-b)	**(2.24)**	**(730.29)**
Income tax expense	-	-
(Loss) for the year from Discontinued Operations after tax	**(2.24)**	**(730.29)**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

44 **Contingent Liabilities and Commitments**

44.1 **Contingent Liabilities (to the extent not provided for in respect of):**

(Rs. in Lakh)

S. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
(a)	Disputed Income Tax Demands	8,444.43	8,444.43
(b)	Disputed Service Tax demand	62.68	62.68
(c)	Disputed Local Body Tax demand	875.49	875.49
(d)	Claims against the Group not acknowledged as debts	4,522.95	4,900.15
(e)	Bank Guarantees	15.00	15.00
(f)	Input credit used of Goods and Services Tax (Refer Note 2 below)	50.59	50.59
(g)	Goods and Services Tax (GST) payables on unbilled revenue	-	45.98
(h)	Goods and Services Tax (GST) reversal of ITC on Reverse Charge Mechanism for the financial year 2017-2018 to 2019-2020 (Refer Note 3 below)	-	7.23
(i)	Import Continuity / Transhipment Bond / Custodian cum Carrier Bond (Refer Note 4 below)	69,700.21	69,700.21

Note:

1 Income tax demands mainly include the appeals filed by the department before appellate tribunal / High Courts against the order passed by income tax appellate authorities in favour of the Parent Company. The management expects favourable outcome in the said matters and hence no provision has been made in this accounts.

2 A Subsidiary company has availed GST input credit appearing in Form GSTR- 2A (on GST portal) for its payment of GST liability, such invoices are in the name of subsidiary company but not recorded in Books. These GST Credits pertains to the services provided by Shipping Company to certain customers of the Subsidiary company, where the Subsidiary company is Consignee. The actual expenses are borne by the customers of the Subsidiary company as primary obligators, also invoices of those expenses are not available with the Subsidiary company. The Subsidiary company has utilized the aforesaid GST input credit based on expert advice obtained by the Subsidiary company.

3 As per SCN No.360/GST/Audit-RGD/SUPDT/Gr.V /21-22 dated 21.03.2022 issued to a Subsidiary Company by Superintendent, GST Audit, Raigad Commissionerate, it has been instructed to reverse ITC of Rs. 7.23 Lakh for the Financial Year 2017-2018 to 2019-2020 against Transportation of Goods by Road Services rendered to DTA Clients under Reverse Charge Mechanism.

4 The Bonds has been given to SEZ / SEEPZ Authority for safeguarding duty liability on goods stored in warehouses within Free Trade Warehousing Zone on behalf of Unit holders & customers.

44.2 **Capital commitments**

Estimated amount of contracts remaining to be executed on capital and other accounts and not provided for (net of advances paid) are Rs. 55.74 Lakh (31st March, 2022 - Rs. 55.74 Lakh).

45 **Ind AS 116 'Leases'**

(i) **Movement of carrying value of right of use of assets**

(Rs. in Lakh)

Particulars	Buildings	Plant and Equipments
Balance as at 1st April 2021	13,002.32	-
Add: Addition during the year	11,605.13	25.07
Less: Modification during the year	-	-
Less: Depreciation charge for the year	(4,729.04)	(3.48)
Balance as at 31st March 2022	19,878.41	21.59
Add: Addition during the year	-	-
Less: Modification during the year	-	-
Less: Depreciation charge for the year	(6,579.16)	(4.18)
Balance as at 31st March 2023	13,299.25	17.41

(ii) **Movement of Lease liabilities**

(Rs. in Lakh)

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Opening Balance	21,312.28	14,837.64
Add: Addition during the year	-	10,990.91
Add: Interest expenses on unwinding lease liabilities	1,867.16	1,460.09
Less: Payment of lease liabilities	(8,376.04)	(5,976.36)
Less: Modification during the year	-	-
Closing Balance	14,803.40	21,312.28

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

(iii) **Maturity analysis of lease liabilities on undiscounted basis and breakup of lease liabilities included in the Balance Sheet**

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Future Non-Cancellable minimum lease commitments		
Within one year	7,763.74	8,378.20
More than one year but not less than five years	9,824.45	15,073.64
More than five years	-	2,514.54
Total undiscounted lease liabilities	17,588.19	25,966.38
Lease liabilities included in the Balance sheet		
Current Lease liabilities	7,228.11	6,337.43
Non-current Lease liabilities	7,575.29	14,974.85
Total	14,803.40	21,312.28

46 **Details on dues to Micro, Small And Medium Enterprises:**

(Rs. in Lakh)

Sr. No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	Principal amount due and remaining unpaid	662.75	580.11
b)	Interest due thereon remaining unpaid	7.26	13.73
c)	Interest paid by the Group in terms of Section 16 of the MSMED Act, 2016, along with the amount of the payment made to the suppliers beyond the appointed day during the year	-	-
d)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e)	Interest accrued and remaining unpaid	7.26	13.73
f)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above ae actually paid to the micro and small enterprises.	-	-

Note: Dues to Micro, Small and Medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Group and relied upon by the Auditors.

47 **Employee Benefits**

47.1 **Disclosure pursuant to Indian Accounting Standard (IND AS) 19 – Employee Benefits**

(a) **Defined Contribution Plan**

Contribution to Defined Contribution Plan, recognised as expenses for the years are as under:

(Rs. in Lakh)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Employer's Contribution to Provident Fund	9.65	10.23
Employer's Contribution to Pension Scheme	21.74	22.59
Employer's Contribution to ESIC	0.77	1.29

(b) **Brief descriptions of the plans**

The Group's defined contribution plans are Provident Fund and Employees State Insurance where the Group has no further obligation beyond making the contributions. The Group's defined benefit plans include gratuity. The employees are also entitled to leave encashment as per the Group's policy.

(c) **Leave Encashment**

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision recognised in the Balance Sheet		
Current Provision as at the end of the year	8.86	9.12
Non Current Provision as at the end of the year	27.15	29.98
Provision recognised in the Balance Sheet	**36.01**	**39.10**

(d) **Defined benefit plan – Gratuity**

The employee's Gratuity fund is managed by the Life Insurance Corporation of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognised each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up to final obligation.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

(Rs. in Lakh)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
I. Actuarial assumptions		
Mortality Table	Indian Assured lives Mortality (2012-14) Ult	Indian Assured lives Mortality (2012-14) Ult
Discount rate	7.30%	5.65%
Expected return on plan assets	5.17%	6.42%
Salary Escalation Rate	5.00%	5.00%
Withdrawal Rate	20.00%	19.00%
Retirement Age	58 Years	58 Years
II. Change in Present value of defined benefit obligations		
Provision as at the beginning of the year	113.52	101.69
Interest cost	6.98	5.88
Current service cost	12.60	13.91
Benefits paid	(13.60)	(15.34)
Acquisition adjustments	-	-
Actuarial (gain)/loss on obligations	(6.92)	7.38
Provision as at the end of the year	112.58	113.52
III. Change in Fair value of plan assets		
Fair value of plan assets as at the beginning of the year	20.10	19.03
Expected return on plan assets	1.23	1.07
Actual Enterprise's Contributions	-	-
Benefits paid	-	-
Fair value of plan assets as at the end of the year	21.33	20.10
IV. Actual return on plan assets		
Expected return on plan assets	1.23	1.07
Actuarial gain/(loss) on plan assets	-	-
Actual return on plan assets	1.23	1.07
V. Provision recognised in the Balance Sheet		
Provision as at the end of the year	112.58	113.52
Fair value of plan assets as at the end of the year	21.33	20.10
Provision recognised in the Balance Sheet	91.25	93.42
VI. Percentage of each category of plan assets to total fair value of plan assets		
Insurer managed funds	100%	100%
VI. Amount recognised in the Statement of Profit and Loss		
Current service cost	12.60	13.91
Interest cost	6.98	5.88
Expected return on plan assets	(1.23)	(1.07)
Net actuarial (gain)/loss to be on obligation	-	-
Expense recognised in Statement of Profit and Loss	18.35	18.72
VII. Amount recognised in the Other Comprehensive Income (OCI)		
Due to Change in financial assumptions	(4.63)	(2.04)
Due to Change in demographic assumption	0.03	0.02
Due to Change in experience assumption	(2.32)	9.40
Expected return on plan assets	-	-
Total remeasurement recognised in OCI	(6.92)	7.38
VIII. Balance Sheet reconciliation		
Opening net provision	93.42	82.66
Expenses recognised in Profit & Loss	18.35	18.72
Actual Employer Contribution	(13.60)	(15.34)
Total Remeasurement recognised in OCI	(6.92)	7.38
Acquisition adjustment	-	-
Closing net provision	91.25	93.42

(e) The discount rate is based on the prevailing market yields of Government of India Bonds as at the Balance Sheet date for the estimated term of the obligations.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

(f) Salary escalation assumption has been set in discussions with the enterprise based on their estimates of overall long-term salary growth rates after taking into consideration expected earnings inflation as well as performance and seniority related increases.

(g) Assumptions regarding withdrawal rates are set based on their estimates of expected long term future employee turnover within the organizations.

47.2 Sensitivity analysis: (Rs. in Lakh)

Particulars	Changes in assumptions	Effect on Gratuity obligation
For the year ended 31st March, 2023		
Salary growth rate	+0.50%	114.61
	-0.50%	110.61
Discount rate	+0.50%	110.66
	-0.50%	114.58
For the year ended 31st March, 2022		
Salary growth rate	+0.50%	115.75
	-0.50%	111.36
Discount rate	+0.50%	111.39
	-0.50%	115.73

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognised in the balance sheet.

These plans typically expose the Group to actuarial risks such as: longevity risk and salary risk.

(a) Interest risk - A decrease in the discount rate will increase the plan provision.

(b) Longevity risk - The present value of the defined benefit plan provision is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants. As such, an increase the plan's provision.

(c) Salary risk - The present value of the defined plan provision is calculated by reference to the future salaries of plan participants. As such, as increase in the salary of the plan participants will increase the plan's provision.

47.3 The weighted average duration of the defined benefit obligation at the end of the reporting period is 3.86 years (31st March, 2022 - 3 years).

48 Preparation of financial statements on " Going Concern" basis

(a) The management believes that Government's focus on significant policy reform for logistics infrastructure sector, which is currently one of the fastest growing sector, will help the Group to expand its business. The amendments in the SEZ policy and the recent National Logistic Policy (NLP), will enable the Group to offer additional value propositions to its clients. These macro factors coupled with other economic benefits will improve the Group's ability to expand the client base multi-fold.

The management's plan as a developer of the FTWZ business is based on asset light business model through monetization, to improve cashflow of the Parent Company. Monetisation will happen periodically and in a staggered manner. Pursuant to the Framework Agreement, Ascendas will provide capital cushion for future growth. The Parent Company expects similar valuation for warehouses in line with valuations offered earlier by Ascendas. In addition to the above, various resource optimization initiatives undertaken by the Parent Company, will lead to stabilization and revival. Therefore, the Parent Company continues to prepare the financial statements on Going Concern basis.

(b) One of the subsidiaries i.e. ANFL is a Free Trade Warehousing Zone (FTWZ) developer with pan India operations. Various financial facilities were obtained by the Subsidiary Company from a consortium of banks for the purpose of construction of a FTWZ at Khurja District in the State of Uttar Pradesh. The Subsidiary Company defaulted on making the repayments from time to time. As a result of the continuous defaults, the account of the Subsidiary Company was declared as a Non-Performing Asset (NPA) by State Bank of India (SBI) and Punjab National Bank (PNB). Thereafter, Notices under Section 13(2) of the SARFAESI Act, 2002 were issued and the proceedings for recovery of the outstanding debt in the Debt Recovery Tribunal were initiated. Meanwhile, since no repayments were made by the Subsidiary Company despite admission of their obligation, proceedings under Section 7 of the IBC were initiated and accordingly, Petition(s) were filed. The Subsidiary Company approached with OTS proposals, which were approved, and sanction letters were issued stating the amount to be paid and the timelines therefor. However, due to operational difficulties and lack of liquidity, the Subsidiary Company was unable to meet this obligation. Consequent to which OTS Sanction granted previously was cancelled by PNB. The Subsidiary Company filed Reply to the Petition(s) and contended that the Petition is barred by limitation amongst other contentions and submitted to dismiss the Petition. The Hon'ble NCLT vide order dated 14th November, 2022 and 23rd December, 2022 have admitted the Petitions of SBI and PNB and ordered the initiation of CIR Process (CIRP) against the Subsidiary Company.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

As the matters stands, the Hon'ble NCLT has admitted the applications for commencement of CIRP against the Subsidiary Company and appointed Interim Resolution Professional (IRP) and moratorium has been imposed in terms of Section 14 of the Insolvency and Bankruptcy Code, 2016 (the Code). As per the Code, IRP made public announcement on February 17, 2023 for inviting proof of claims from the Creditors. Consequently, the powers of the Board of Directors are suspended with effect from November 14, 2022 (date of Hon'ble NCLT Order) and are vested with IRP. IRP will continue till the completion of CIRP. In terms of Section 20 of the Code, currently the affairs of the Subsidiary Company are managed by IRP on a going concern basis. Accordingly, these Financial Statements are continued to be prepared on a Going Concern Basis.

Post commencement of the CIRP, the Subsidiary's financial statements have been prepared by the suspended management of the Subsidiary till the commencement of CIRP period and provided to IRP. Thereafter, IRP has prepared these financial statements in accordance with the duties under section 17 of the Code. IRP does not make any representation or issue any statement in relation to the financial statements whether or not these are true and fair, complete and accurate in all respect except the expenses incurred during CIRP.

In terms of Section 21(1) & 18(1)(c) of the the Code and its regulations, IRP constituted the Committee of Creditors (CoC) and initiated claim verification process. IRP circulated result of e-voting on formation of CoC and particulars of members of CoC. IRP received total claims from Financial Creditors of Rs. 99,630.22 lakhs and post verification, IRP admitted claims of Rs. 81,723.27 lakhs, which are subject to discretion of CoC.

The expenses incurred on CIRP during the period 14th November, 2022 to 31st March, 2023 aggregates to Rs. 8.09 lakhs has been approved by CoC through e-voting. Result of e-voting was communicated on 26th April, 2023.

The Finance Cost inclusive of the Interest on debt for the year ended 31st March, 2023 aggregating to Rs. 2,790.60 lakhs is subject to the outcome of the CIRP under the Code.

(c) As at 31st March 2023 due to accumulated losses of Rs. 1,238.75 Lakh, net-worth of the Arshiya Logistics Services Limited is fully eroded. Similarly, with respect to Arshiya 3PL Services Private Limited ("A3PL") and Arshiya Panvel Logistics Services Private Limited ("APLSPL"), other subsidiaries of the Parent Company, the net worth is also negative as at 31st March, 2023. The management believes that Government's focus on significant policy reform for logistics infrastructure sector, which is currently one of the fastest growing sector, will help the Group to expand its business. The amendments in the SEZ policy and the recent National Logistic Policy (NLP), will enable the Group to offer additional value propositions to its clients. These macro factors coupled with other economic benefits will improve the Groups's ability to expand the client base multi-fold.

The management's plan as a developer of the FTWZ business is based on asset light business model through monetization, to improve cashflow of the Group. Monetisation will happen periodically and in a staggered manner. Pursuant to the Framework Agreement, Ascendas will provide capital cushion for future growth. The Group expect similar valuation for warehouses in line with valuations offered earlier by Ascendas. In addition to the above, various resource optimization initiatives undertaken by the Group, will lead to stabilization and revival. Therefore, these subsidiaries continues to prepare the financial statments on Going Concern basis.

(d) The Subsidiary Company i.e. ANPPL has plan to acquire the long-term leasehold rights in the specific Warehouse no 54 "Property" (WH-54) from Arshiya Northern FTWZ Ltd (ANFL). The Transaction under discussion for WH-54, Modern Grade-A warehouse with a total leasable area of approximately 191,582 square feet. The Subsidiary Company shall acquire long-term leasehold rights in the Property. Ascendas Property Fund India (APFI) will fund the subsidiary company for buying said warehouse at pre-agreed price consideration of Rs. 10,600.00 Lakh for pre-lease WH-54 as per pre-agreed terms under Transaction Documents. As per transaction post that APFI shall purchase 100.0% equity shares in the Subsidiary Company subject to completion of certain conditions precedent stipulated in Share Purchase Agreement dated 11th March, 2020. The Subsidiary Company will pay its liabilities from expected consideration to be received from APFI.

Currently, ANFL is providing storage and value-added services such as packing, labelling, tagging etc. to Reputed Clients and expected to complete the aforesaid monetisation before end of FY-24. As we are aware that the whole world has faced a Global Pandemic of Covid-19 due to which certain restrictions within the nations have caused a significant delay in monetization of warehouses whereby monetization process has been shifted and would be concluded before FY-24.

In view of above considering gross value of future monetization value which is around Rs. 10,600.00 Lakh, the management of the subsidiary company have prepared accounts on going concern basis.

49 The Parent Company had availed loan from a Public Financial Institution (PFI) against security of land situated at Nagpur. On default of loan covenants, the PFI had taken over possession of secured assets i.e. land situated at Nagpur. During the year ended 31st March, 2018, the PFI agreed to settle their outstanding loan constituting principal and interest of Rs. 16,700.00 Lakh by signing of Settlement Terms. Settlement Terms involves payment of Rs. 5,000.00 Lakh and balance amount of Rs. 11,700.00 Lakh, by way of allotment of Optionally Convertible Redeemable Preference Shares - V (OCRPS - V), convertible upto 15,50,000 equity shares of the Parent Company at the option of the PFI and necessary effect has been given in the books of accounts during the year ended 31st March, 2018. As per shareholder approval, on dated 29th January 2018, the Parent Company has approved allotment of 11,70,000 OCRPS – V and the same was converted into 15,50,000 Equity shares on 22nd February, 2018 as per Settlement Terms.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

During the pendency of litigation, the PFI has assigned their debts to Edelweiss Asset Reconstruction Company Ltd (EARC) during 31st March, 2019. Upon acknowledgement of receipts of outstanding of Rs 5,000.00 Lakh dues under Settlement Terms, the Court has disposed off the said litigation. In line with High court order, the Parent Company recorded liabilities in name of EARC for payment made by them to PFI. Pursuant to said assignment of debt, EARC has become the lender and entitled to recover total dues along with interest at contractual rates and other charges. The Parent Company continues to provide interest in line with major terms negotiated with EARC in case of other agreements. Upon finalization of the terms of restructuring with EARC, the Parent Company shall record the effect of the revised terms as to the repayment of principal and interest (including penal interest) in the period in which it is completed.

With respect to this borrowing, EARC has issued SARFAESI Notice for recovery of dues. During the year ended 31st March 2023, EARC under SARFAESI process, has sold said land as informed vide its letter dated 30th May, 2022, for consideration of Rs. 10,300.00 lakh and accordingly the Parent Company has recorded a gain of Rs. 564.89 lakh. Further, details of the allocation of sale proceeds are awaited from EARC and till that time, the said amount is included in other recoverables. Upon receipt of details the Parent Company will give necessary impact in the books of account.

50 During the year ended 31st March, 2019, the Parent Company has defaulted in payment of Rs. 2,000.00 Lakh as per Consent Terms signed with one of the Non-Banking Financial Company (NBFC). During the pendency of litigation, the said NBFC has assigned its debt to Edelweiss Asset Reconstruction Company (EARC) during the year end 31st March, 2020 against payment of outstanding amount under the said Consent Terms. Upon acknowledgement of payment from EARC, the High Court of Bombay disposed off the case. In line with High Court of Bombay order, the Parent Company recorded liabilities in the name of EARC payment made by them to NBFC. Pursuant to said assignment of debt, EARC has become the lender and entitled to recover total dues along with interest at contractual rates and other charges.

The Parent Company continues to provide interest in line with major terms negotiated with EARC until the finalisation of the restructuring agreement. Upon finalization of the terms of restructuring with EARC, the Parent Company shall record the effect of the revised terms as to the repayment of principal and interest (including penal interest) in the period in which it is completed. With respect to this borrowing, EARC has issued SARFAESI Notice for recovery of dues and the matter is under discussion with EARC for debt settlement.

51 Settlement of Debts

51.1 During the previous year ended 31st March 2022, the Parent Company and a subsidiary have received Settlement of Debt letter (settlement) dated 4th March 2022 from Edelweiss Assets Reconstruction Company Limited (EARC) with Cut-off date as on 30th September 2021. EARC has settled its existing dues at Rs. 53,510.00 Lakh as the Settlement Amount. The Group has partially complied with conditions precedent of settlement. The Group is in discussion with EARC for pending compliances of conditions precedent, further, there is no communication about revocation of settlement of debt from EARC.

In view of the above, accounting treatment of settlement has been given in the books during the year ended 31st March 2022. The Group has recorded gain on settlement as an exceptional item of Rs. 48,443.30 Lakh (comprising of principal of Rs. 17,713.30 Lakh and interest of Rs. 30,730.00 Lakh). Further interest expenses accounted in the books for the nine months ended 31st December 2021 has been reversed during the year ended 31st March 2022. Accordingly, interest expenses of previous year ended 31st March 2022 has been recorded after giving impact of settlement, hence interest expenses during the year ended 31st March 2022 is post net of reversal.

51.2 The Parent Company has defaulted in agreed repayment schedule of original sanction letter dated 27th June, 2017. During the previous year ended 31st March, 2022, the Parent Company has received Settlement of Debt letter (settlement) dated 15th March, 2022 from Axis Bank. Axis Bank has settled its existing dues at Rs. 1,471.41 Lakh as the Settlement Amount.

In view of the above, accounting treatment of the settlement has been given in the books during the previous year ended 31st March, 2022. The Parent Company has recorded the gain on settlement as an exceptional item of Rs. 656.25 Lakh (comprising of interest).

51.3 The Parent Company has defaulted in agreed repayment schedule of original sanction letter dated 26th March, 2019. During the previous year ended 31st March, 2022, the Parent Company has entered Terms of Settlement (settlement) on 4th March, 2022 with a Non Banking Financial Institution (NBFC). The NBFC has agreed to settle its existing dues at Rs. 850.00 Lakh as the Settlement Amount.

In view of the above, accounting treatment of the settlement has been given in the books during the previous year ended 31st March, 2022. The Parent Company has recorded the loss on settlement as an exceptional item of Rs. 110.55 Lakh.

51.4 The Parent Company has defaulted in agreed repayment schedule as per Consent terms dated 18th December, 2015 with EARC under which existing dues had been settled at Rs. 3,120.00 Lakh.

In view of the above, accounting treatment of the settlement has been given in the books during the year ended 31st March, 2016 and the Parent Company has recorded the gain on settlement as an exceptional item of Rs. 5,588.00 Lakh (comprising of interest).

51.5 A Subsidiary Company i.e. ANFL has received Settlement of Debt letter (settlement) dated 2nd August, 2022 from a lender. The Lender has settled its existing dues at Rs. 4,034.00 Lakh as the settlement amount. The Subsidiary Company has not complied with repayment terms of the settlement. The Subsidiary Company is in discussion with the lender for pending compliances of the conditions precedent and further, there is no communication about revocation of settlement from lender.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

In view of the above, accounting treatment of the settlement was given in the books during the quarter ended 30th June, 2022 and the same continues. The Subsidary Company has recorded the gain on settlement as an exceptional item of Rs. 8,221.83 Lakh (comprising of principal of Rs. (700.68) Lakh and interest of Rs. 8,922.51 Lakh).

52 During the earlier years, the Parent Company and one of its subsidiaries had received settlement of debt letter / consent letters in respect of some of its lenders. As per the agreed settlement, the total debt of the said lenders were agreed to be settled at Rs 62,985.41 Lakh. The Group had already given accounting effects of such settlement in the consolidated financial results in the respective earlier period and recognized a gain of Rs. 62,909.06 Lakh as an exceptional item. The Group continues to engage and discuss with all major financial creditors to resolve debts at sustainable levels. The settlements have not been completed for various reasons and also the financial / operational creditors have filed petitions under the provisions of Insolvency and Bankruptcy Code ('IBC') against the Parent Company and some of its subsidiaries, which are pending before the Hon'ble NCLT. The Parent Company has also received a notice under SARFAESI Act from certain lenders. The outcome of the settlement of liabilities of the Group is dependent on ongoing discussions with the lenders and based on past discussions, possibilities exist of their settlement. In view of the same, the management is not in a position to determine the fair value of liabilities of the Group at this juncture. Considering the same, the Group continues to account the finance cost and borrowings as per the terms of last settlement issued by the respective financial creditor. The penal / default interest, if any, payable by the Group cannot be ascertained at this stage, therefore, not provided for by the Group.

53 During the previous year ended 31st March 2022, Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') has approved the Scheme of Arrangement ('Scheme') vide its order dated 21st January 2022 ('Order'). Assets and liabilities pertaining to domestic business has been demerged from the Parent Company into the Resulting company i.e. Arshiya Rail Infrastructure Limited (name subsequently changed to NCR Rail Infrastructure Limited). Post NCLT Order, one of the lenders has filed an appeal against the said Order before the Hon'ble National Company Law Appellate Tribunal ('NCLAT / Appellate Tribunal'), Delhi. The Appellate Tribunal by its order dated 4th March 2022, ordered to maintain 'status quo' in the matter. The Parent Company has filed an application seeking vacation of the ad-interim stay order dated 4th March 2022 praying the Appellate Tribunal to allow the Parent Company to complete the formalities such as allotment and listing of the shares of the Resulting Company. As the scheme is in the interest of stakeholders of both the companies and based on the legal opinion and advice, the Parent Company has continued to prepare the financial results since previous year ended 31st March 2022 after giving accounting effects of the approved scheme by the NCLT.

54 Indirect Tax Refund Receivable

(i) As per the Notification dated 16th May, 2013 issued by Government of Maharashtra, MVAT exemption /refund is available to SEZ Developer after 15th October, 2011 (record date). However, the Parent Company has claimed refund of Rs.1,684.55 Lakh in respect of transactions prior to record date, as the Parent Company is of the view that the State Government has exempted it from Local taxes, levies and duties on goods required for authorized operations by a Developer vide GR dated 12th October, 2001 passed by Industries, Energy and Labour Department, Government of Maharashtra. The Parent Company has filed an appeal before High Court of Bombay challenging the Constitutional validity of MVAT on various grounds and has claimed refund of Rs.1,108.80 Lakhs. The Appeal has been admitted, issues are framed and final hearing is pending. Further MVAT refund claim of 575.75 Lakhs is pending with Sales Tax Department as the matter is of similar case. Accordingly, these financial statements reflect a sum of Rs.1,684.55 Lakhs as refund receivable on account of MVAT. In case the refund is not granted, the necessary adjustment entries shall be recorded in the year in which finality is reached.

(ii) Refunds receivable in respect of VAT, Service Tax, Local Entry Tax and Service Tax pertaining to one of the subsdiaries i.e. ANFL for which appeals are pending with respective Appellate Authorities. The Management of ANFL is of the view that the refunds claimed aggregating to Rs. 244.00 Lakh are considered good for recovery on account of refunds being received by other SEZ developers on similar grounds. However, the said appeals have been rejected by the authorities on multiple levels, but since further appeal is preferred before higher authorities, the Management of ANFL expect favourable outcome.

55 Assets held for sale and Liabilities associated with assets classified as held for sale

55.1 The Parent Company has entered into conditional Share Purchase Agreements with Ascendas Property Fund (India) Pte. Ltd. ("APFI") for sale of entire equity shares of Arshiya Northern Projects Private Limited ("ANPPL"), upon fulfilment of certain conditions precedent and is subject to various corporate and statutory approvals. Hence, investment in ANPPL has been considered as Investment held for sale and discontinued operation as per Ind AS 105 "Non-Current Assets Held for Sale and Discontinued Operations".

55.2 Board of directors of the Subsidiary Company i.e. ANFL had approved plan to monetize its World class A grade assets of one of Warehouse numbered as Warehouse No. 54 having total leasable area of approximately 191,582 square feet spread over about 4.5 Acres of land and is part of a FTWZ facility that is spread over approximately 127.0 acres with estimated future development potential of approximately 3.0 million square feet besides the 2 existing warehouse already constructed.

The Monetization will be structured in the form of acquisition of one of co-developer entity, that will acquire the long-term leasehold rights in the Property from ANFL. On completion of Condition Precedent (CPs), APFI will acquire such co-developer entity i.e. ANPPL along with Warehouse on long term lease basis.

Hence the said assets of ANFL has been considered as "Assets held for sale".

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

56 During the previous year ended 31st March 2022, the Parent Company has sold its investment in 100% shares of Anomalous Infra Private Limited (AIPL) which owns a 3.25 Lakh square feet warehouse at the Arshiya Free Trade Warehousing Zone, Panvel to Ascendas Property Fund Trustee Pte. Limited ("Ascendas/ APFI"), this operational warehouse is the seventh warehouse acquired by APFI from Arshiya group. It comprises, inter alia, additional deferred consideration of up to Rs. 2,122.60 Lakh to be paid over the next four years, subject to the achievement of certain performance milestones as per transaction documents. Rs. 8,901.29 Lakh gain on loss of control of subsidiary has been accounted in other income.

Similar to the previous arrangement for the six acquired warehouses by APFI, this newly acquired seventh warehouse is also operated by a subsidiary of the Parent Company for a period of six years which will continue to give the Group a spread on lease as well as addition Value-added services (VAS) income over and above the payout received by the above monetisation.

57 **Share Based Payments**

The Board of Directors of the Parent Company have approved grant of 4,00,000, 8,00,000 and 20,00,000 Employee Stock Options to some of the eligible and deserving employees of the Parent Company under the Scheme of Arshiya Limited Employees Stock Option Scheme, 2019 (hereinafter referred to as the "Scheme, 2019") on 30th June 2021, 13th November, 2021 and 30th May, 2022 respectively.

The fair value of stock options has been determined at the date of grant of the stock options. This fair value, adjusted by the Parent Company's estimate of the number of stock options that will eventually vest, is expensed over the vesting period.

The fair values were calculated using the Black-Scholes Call Option Pricing Model for tenure based stock options. The inputs to the model include the share price based on the market price at date of grant, exercise price, expected life of options, annual volatility, expected dividends and the risk free rate of interest. Annual volatility has been calculated using median of comparable peers (to the extent data available). All options are assumed to be exercised within 1 year from the date of vesting period.

The assumptions used in the calculations of the charge in respect of the stock options granted are set out below:

Particulars	ESOP 2019	ESOP 2019	ESOP 2019
No. of Options	4,00,000	8,00,000	20,00,000
Exercise Price (in Rs.)	2.00	2.00	2.00
Stock Price (in Rs.)	34.30	31.00	34.30
Implied Volatility (in %)	64.50%	64.50%	64.52%
Average Risk free rate (in %)	4.09%	4.16%	5.20%
Time of Maturity (in Years)	1.00	1.00	1.00
Dividend Yield (in %)	0%	0%	0%
Average Fair value of Options (in Rs.)	32.38	29.08	19.07
Option Granted Date	30th June, 2021	13th November, 2021	30th May, 2022
Vesting Date	30th June, 2022	13th November, 2022	30th May, 2023

The Group recognised total expenses of Rs. 205.72 lakh (31st March, 2022 - Rs. 347.67 lakh) to the above equity settled share based payment transactions. Equity settled employee stock options reserve outstanding with respect to the above scheme is Rs. 205.72 Lakh (31st March, 2022 - Rs. 347.67 Lakh).

During the year ended 31st March 2023, the Parent Company has allotted 12,00,000 equity shares to eligible employees upon exercised under the Arshiya Limited Employee Stock Option Scheme 2019.

Movement of share options during the year as below:

(In Numbers)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Opening Balance	32,00,000	-
Add: Options granted	-	32,00,000
Less: Options Lapsed	(8,00,000)	-
Less: Options exercised	(12,00,000)	-
Closing Balance	12,00,000	32,00,000

58 Two lenders of a subsidiary company i.e. ANFL have filed petition for recovery of dues at NCLT under Insolvency and Bankruptcy Code, 2016. A lender of ANFL has also called upon the Parent Company as a corporate guarantor to the said loan. Certain operational creditors of the Group have also filed petition at NCLT under Insolvency and Bankruptcy Code, 2016. Currently, the said matters are pending at pre-admission stage.

59 Certain creditors have initiated legal proceedings against the Parent Company and its Directors. Further, certain creditors have initiated for winding up petition against the Parent Company and one subsidiary. The Parent Company and one subsidiary are in process of negotiating and finalising the revised consent terms and/or making representations to the respective forum.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

60 Disclosure pursuant to Indian Accounting Standard (IND AS) 108 – Segment Information

60.1 Primary Segment Information

Post demerger, the Group's activities revolve around "Developing and Operating Free Trade & Warehousing Zone (FTWZ) and Special Economic Zone (SEZ)" within "India". Considering the nature of the Group's business and operations, as well as, based on reviews of operating results by the chief operating decision maker there is only one reportable segment in accordance with the requirement of Ind AS 108 "Operating Segment" prescribed under Companies (Indian Accounting Standards) Rules 2015.

60.2 Entity-wide disclosure required by IND AS 108 are made as follows:

(a) Revenue from external sales and services

(Rs. in Lakh)

Geography	Year Ended 31st March 2023	Year Ended 31st March 2022
India	14,257.66	15,014.12
Outside India	-	-
Total	**14,257.66**	**15,014.12**

(b) Segment Assets

All assets are within India only.

60.3 Information about major customers:

Revenues from 10 customers aggregating to Rs. 3,224.62 Lakh (31st March, 2022 - 9 customers aggregating to Rs. 3,654.29 Lakh) exceeds 10% or more during the FY 2022-23.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

61 Related party disclosures, as required by Indian Accounting Standard 24 "Related Party Disclosures" (IND AS-24) and Indian Accounting Standard 112 "Disclosure of Interests in Other Entities" (IND AS-112) as given below:

(I) Key management personnel
Mr. Ajay S Mittal – Chairman and Managing Director (also having significant influence)
Ms. Archana A Mittal – Joint Managing Director (also having significant influence)
Mr. Dinesh Kumar Sodani - Chief Financial Officer of Arshiya Limited
Mr. Ajit Dabholkar - Company Secretary and Compliance Officer of Arshiya Limited (w.e.f. 14th February, 2023)
Ms. Kunjal Parekh - Company Secretary and Compliance Officer of Arshiya Limited (till 14th November, 2022 to 31st December, 2022)
Ms. Ratika Gandhi - Company Secretary and Compliance Officer of Arshiya Limited (till 14th June, 2022)
Mr. Navnit Choudhary - Chief Financial Officer of Arshiya Northern FTWZ Limited
Mr. Amit Gupta - Chief Executive Officer of Arshiya Northern FTWZ Limited (w.e.f. 27th June, 2020 to 8th September, 2021)
Ms. Komal Toshniwal - Company Secretary of Arshiya Northern FTWZ Limited (w.e.f. 1st July, 2021 to 30th June, 2022)

(II) Relative of Person having significant influence over the Parent Company
Mr. Ananya Mittal – Corporate Strategy Officer

(III) Enterprise owned or significantly influenced by key management personnel or their relatives
Noval FTWZ Limited
Laxmipati Balaji Supply Chain Management Limited
NCR Rail Infrastructure Limited (formerly known as Arshiya Rail Infrastructure Limited) (Refer Note no. 53)
AMD Business Support Services Private Limited (w.e.f. 14th August, 2021)

The nature and amount of transactions with the above related parties are as follows:

(Rs. in Lakh)

Nature of transaction	Name of the Party	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Remuneration paid to Key Managerial Person and Relative of Person having significant influence over the Group**	Mr. Dinesh Kumar Sodani	56.16	53.97
	Mr. Ajit Dabholkar	5.65	-
	Ms. Kunjal Parekh	1.61	-
	Ms. Ratika Gandhi	4.61	23.32
	Ms. Komal Toshniwal	0.59	1.50
Interest Income	Noval FTWZ Limited	-	45.50
	AMD Business Support Services Private Limited	174.19	50.23
Financial Guarantees Income	NCR Rail Infrastructure Limited	-	306.28
Reimbursement/Allocation of common costs and expenses recovered (Refer Note No.74)	NCR Rail Infrastructure Limited	215.08	129.99
	Laxmipati Balaji Supply Chain Management Limited	66.40	97.83
Lease rent expense	NCR Rail Infrastructure Limited	6.00	5.00
Electricity expenses	Laxmipati Balaji Supply Chain Management Limited	355.51	298.60
Loans and advances given	AMD Business Support Services Private Limited	3,031.94	1,335.67
	NCR Rail Infrastructure Limited	315.23	-
Loans and advances given repaid/adjusted	AMD Business Support Services Private Limited	183.26	18.00
	NCR Rail Infrastructure Limited	315.23	-
Loans and Advances taken	Mr. Ajay S Mittal	79.73	289.81
	Ms. Archana A Mittal	148.59	144.80
	NCR Rail Infrastructure Limited	185.21	576.26
Loans and Advances taken repaid/adjusted	Mr. Ajay S Mittal	38.32	235.10
	Ms. Archana A Mittal	73.90	335.31
	NCR Rail Infrastructure Limited	174.34	469.92
Debts adjusted against invoked shares sold	Ms. Archana A Mittal	876.63	-
Assignment of Loan taken *	NCR Rail Infrastructure Limited	4,477.43	2,432.09
Assignment of Loan given *	AMD Business Support Services Private Limited	4,477.43	2,432.09
Capital Advance given	NCR Rail Infrastructure Limited	4,477.43	1.00
Fair value adjustment on capital advance given (Refer note no. 76)	NCR Rail Infrastructure Limited	1,442.58	-
Security Deposit given	Laxmipati Balaji Supply Chain Management Limited	36.00	-
Security Deposit received back	Laxmipati Balaji Supply Chain Management Limited	36.00	-
Investment in Subsidiary sold to	NCR Rail Infrastructure Limited	-	1.00

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

*Loan given to AMD Business Support Services Private Limited is assigned to NCR Rail Infrastructure Limited which is 100% wholly own subsidiary of NCR Rail Infrastructure Limited through assignment agreements.

**As the liabilities for defined benefit plans are provided on actuarial basis for all the employees, the amounts pertaining to Key Management Personnel are not separately identified and hence not included.

Closing balances (Rs. in Lakh)

Nature	Related Party	As at 31st March, 2023	As at 31st March, 2022
Loans and Advances taken	Mr. Ajay S Mittal	173.20	131.78
	Ms. Archana A Mittal	972.14	20.81
	NCR Rail Infrastructure Limited	16.62	5.75
Loan given	Noval FTWZ Limited (Refer Note No. 17.1)	-	325.00
	AMD Business Support Services Private Limited	-	1,404.33
Interest receivable	Noval FTWZ Limited (Refer Note No. 17.1)	-	124.02
	AMD Business Support Services Private Limited	-	50.23
Other recoverable	Laxmipati Balaji Supply Chain Management Limited	66.40	367.66
Trade Payable	Laxmipati Balaji Supply Chain Management Limited	0.68	2.31
Advance to supplier	Laxmipati Balaji Supply Chain Management Limited	17.97	-
Capital advance given	NCR Rail Infrastructure Limited	3,034.85	-
Financial Guarantee Obligations	NCR Rail Infrastructure Limited	309.98	309.98
Corporate guarantees taken	NCR Rail Infrastructure Limited	600.00	600.00
Corporate guarantees issued to	NCR Rail Infrastructure Limited	75,400.00	75,400.00
Personal guarantees taken	Mr. Ajay S Mittal	2,33,891.00	2,33,841.00
	Mrs. Archana A Mittal	2,23,891.00	2,23,291.00

62 Loans and Advances in the nature of Loans to Company in which directors are interested (Pursuant to the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015):

Loans and Advances to Related Party

(Rs. in Lakh)

Name of the Related Party	Year	Amount outstanding as on March 31,	Maximum amount outstanding during the year	% of total loans and advances
AMD Business Support Services Private Limited	2023	-	3,409.33	0.00%
	2022	-	3,836.42	0.00%
NCR Rail Infrastructure Limited	2023	-	25.34	0.00%
	2022	-	-	0.00%
Novel FTWZ Limited	2023	-	325.00	0.00%
	2022	325.00	325.00	100.00%
Total	2023	-		0.00%
	2022	325.00		100.00%

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

63 **Earnings per share:**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
(Loss)/Profit for the year from Continuing Operations (Rs. In Lakh)	(15,682.45)	43,121.06
(Loss) for the year from Discontinued Operations (Rs. In Lakh)	(2.24)	(730.29)
(Loss)/Profit for the year (Rs. in Lakh)	(15,684.69)	42,390.77
Add: Share based payment	205.72	347.67
Total (Loss)/Profit for the year for diluted EPS (Rs. in Lakh)	(15,478.97)	42,738.44
Number of equity shares		
Weighted average number of equity shares (Number)	26,27,29,614	26,22,75,915
Add: Employee Stocks Options (ESOP)	10,74,148	29,89,098
Total Weighted average number of equity shares/OCRPS/ESOP	26,38,03,762	26,52,65,013
Nominal value per share (Amount in Rs.)	2.00	2.00
Earnings per share for continuing operation (Amount in Rs.)		
Basic	(5.97)	16.44
Diluted	(5.97)	16.39
Earnings per share for discontinued operation (Amount in Rs.)		
Basic	-	(0.28)
Diluted	-	(0.28)
Earnings per share for continuing and discontinued operation (Amount in Rs.)		
Basic	(5.97)	16.16
Diluted	(5.97)	16.11

ESOP had an anti-diluting effect on earnings per share hence have not been considered for the purpose of computing dilutive earnings per share for the year ended 31st March, 2023.

64 **Taxation**

64.1 **Tax Reconciliation**

(Rs. in Lakh)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Reconciliation of tax expense		
(Loss)/Profit before tax	(15,636.60)	43,149.88
Enacted income tax rate (%) applicable to the entities within the Group	25.17% to 26.00%	25.17% to 27.82%
Tax expenses calculated at enacted income tax rate	(5,315.99)	8,587.03
Related to Property, Plant & Equipment	(13.37)	204.76
Effect of Expenses that are not deductible in determining taxable profit	8,117.70	4,225.86
Effect of Income that are not considered in determining taxable profit	(3,917.11)	(13,425.90)
Tax holiday benefit avail under section 80IAB of Income Tax Act, 1961	133.86	(95.06)
Effect of unused Tax Losses	994.91	505.21
Tax paid under provision of Minimum Alternate Tax (MAT)*	45.85	26.92
Income tax expense recognised in the consolidated statement of profit and loss	45.85	28.82

* Subsidiary companies ALL and APFTWZ have recognised income tax expense as per provision of MAT since they have availed Tax holiday benefit u/s 80IAB of Income Tax Act, 1961.

64.2 **Unused tax losses for which no deferred tax assets has been recognised**

(Rs. in Lakh)

Assessment Year	Business Loss	Available for utilization till	Unabsorbed Depreciation
2012-2013	-		2,067.39
2013-2014	-		2,352.44
2014-2015	-		4,544.46
2015-2016	-		7,436.57
2016-2017	1,089.69	A.Y. 2024-2025	6,730.09
2017-2018	53,180.03	A.Y. 2025-2026	6,228.20
2018-2019	16,375.88	A.Y. 2026-2027	2,766.26
2019-2020	680.80	A.Y. 2027-2028	2,076.93
2020-2021	726.75	A.Y. 2028-2029	1,855.88
2021-2022	159.31	A.Y. 2029-2030	1,449.04
2022-2023	360.64	A.Y. 2030-2031	1,725.60
2023-2024	3,248.55	A.Y. 2031-2032	1,530.21
Total	75,821.65		40,763.07

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

(Rs. in Lakh)

Assessment Year	Long term Capital Loss	Available for utilization till
2016-2017	1,782.85	A.Y. 2024-2025
2019-2020	526.93	A.Y. 2027-2028
Total	**2,309.78**	

Deferred tax assets as at 31st March, 2023 Rs. 30,501.09 Lakh (31st March, 2022 - Rs. 23,208.50 Lakh) has not been recognised, as there is no convincing evidence that sufficient taxable profits will be available against which the unadjusted tax losses will be utilized by the Group. Details of deferred tax assets are mentioned below:

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Property, Plant & Equipment	6,667.97	6,613.48
Unabsorbed Depreciation	(10,268.98)	(10,084.93)
Expenses disallowable under the Income Tax Act	(6,495.96)	(2,496.26)
Unabsorbed losses	(17,772.86)	(18,905.14)
Financial Instruments	(2,631.26)	1,664.35
Total Deferred tax assets	**(30,501.09)**	**(23,208.50)**

65 **Financial Risk Management**

The Group's principal financial liabilities comprises of borrowings, trade and other payables and financial guarantees contracts. The main purpose of these financial liabilities is to manage for the Group's operations. The Group's financial assets comprises of trade and other receivables, cash and deposits that arises directly from its operations.

The Group's activities expose it to variety of financial risks including credit risk, liquidity risk and market risk. The Group's risks management assessment, management and processes are established to identify and analyse the risks faced by the Group to set up appropriate risks limits and controls, and to monitor such risks and compliances with the same. Risks assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial instruments, financial assets measured at amortised cost.	Ageing analysis	Regular review of credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity analysis	Unhedged
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Unhedged

The Group's risk management is carried out by a corporate finance team under the policies approved by the Board of Directors. The Board provides written principles for overall risk management as well as policies covering specific areas, such as credit risk, interest rate risk.

(a) **Credit Risk**

The Group is exposed to credit risk, which is risk that counterparty will default on its contractual obligation resulting in a financial loss to the Group. Credit risk arises from cash and cash equivalents as well as credit exposures to trade customers including outstanding receivables.

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Group through continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored. Credit risk is high as only few customers' account for majority of the revenue in the year presented. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain.

(b) **Liquidity Risk**

Liquidity risk is the risk that the Group may not be able to meet its financial obligations without incurring unacceptable losses. The Group's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group limits its liquidity risk by ensuring regular monitoring of funds from trade and other receivables. The Group relies on assets light business model through monetization of assets and tie-up of construction funding and operating cash flows to meet its needs for funds.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

Contractual maturities of financial liabilities (Refer Note No. 49, 50 and 51) (Rs. in Lakh)

Particulars	less than 1 year	1 to 5 years	More than 5 year
31st March, 2023			
Financial liabilities			
Borrowings	90,079.13	-	-
Trade payables	2,338.04	-	-
Creditors for Capital Goods	2,089.97	-	-
Financial guarantee obligations	309.98	-	-
Lease Liabilities	7,228.11	7,575.29	-
Other financial liabilities	51,821.60	1,114.90	-
Total	**1,53,866.83**	**8,690.19**	-
31st March, 2022			
Financial liabilities			
Borrowings	68,569.55	18,558.07	-
Trade payables	2,205.38	-	-
Creditors for Capital Goods	1,628.75	-	-
Financial guarantee obligations	306.28	3.70	-
Lease Liabilities	6,337.43	14,974.85	-
Other financial liabilities	42,027.45	865.74	-
Total	**1,21,074.84**	**34,402.36**	-

Contractual maturities of financial assets (Rs. in Lakh)

Particulars	less than 1 year	1 to 5 years	More than 5 year
31st March, 2023			
Loans	-	-	-
Trade receivables	3,152.80	-	-
Cash and cash equivalent	964.87	-	-
Other bank balances	23.03	-	-
Other financial assets	19,428.81	658.68	-
Total	**23,569.51**	**658.68**	-
31st March, 2022			
Loans	325.00	1,404.34	-
Trade receivables	4,020.83	-	-
Cash and cash equivalent	799.02	-	-
Other bank balances	15.03	-	-
Other financial assets	8,277.61	3,072.31	-
Total	**13,437.49**	**4,476.65**	-

The Group has various loans which are in default due to non-compliances as regards the terms of settlement. Consequent to the default these liabilities have been shown as current liability. The Group is in the process of renegotiating the terms of settlement with its lenders. As stated in Note No. 51, the management is of the view that their dues with the lenders would be settled at much lower value as compared to the carrying value of the liabilities.

(c) **Market Risk**

Market Risk is the risk that the fair value of future cash flow of a financial instruments will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated as: 1) Foreign currency risk and 2) Interest rate risk

1 **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flow or an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities.

1.1 **Foreign currency risk exposure**

(i) Details of foreign currency transactions/ balances not hedged by derivative instruments or otherwise are as under:

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

Particulars	Financial Year Ended	Foreign currency amount (Amount in Lakh)	Equivalent amount in INR (Rs. in Lakh)
Bank balances			
USD	31st March, 2023	0.93	76.63
	31st March, 2022	0.67	50.60
Trade receivables			
USD	31st March, 2023	64.49	5,290.29
	31st March, 2022	63.31	4,797.47
EUR	31st March, 2023	0.16	14.13
	31st March, 2022	4.90	415.47
Security Deposit from customers			
USD	31st March, 2023	3.14	254.84
	31st March, 2022	3.70	274.99
AED	31st March, 2023	0.28	6.23
	31st March, 2022	0.28	5.76
Advance from customers			
USD	31st March, 2023	0.16	13.43
	31st March, 2022	0.11	8.67
EUR	31st March, 2023	-	-
	31st March, 2022	0.0020	0.17

1.2 **Sensitivity**

The Sensitivity of profit or loss to changes in the exchange rate arises mainly from foreign currency denominated financial instruments.

(Rs. in Lakh)

Particulars	Increase/(decrease) in profit before tax As at 31st March, 2023	As at 31st March, 2022
FX rate - increase by 1% on closing rate of reporting date	51.07	49.74
FX rate - (decrease) by 1% on closing rate of reporting date	(51.07)	(49.74)

The above amounts have been disclosed based on the accounting policy for exchange differences.

2 **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the Group's borrowings is fixed rate borrowings carried at amortised cost, therefore not subject to interest rate risk as defined in IND AS - 107, since neither carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. The Group's interest rate risk arises from long term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The Group's borrowings at the variable rate were mainly denominated in Rupees.

2.1 **Interest rate risk exposure**

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are as follows:

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Variable rate borrowing	13,111.09	13,630.41

2.2 **Sensitivity of Interest**

Profit or loss is sensitive to higher/lower interest expenses from borrowings as a result of changes in interest rates.

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
50 bps increase the profit before tax by	(65.56)	(68.15)
50 bps decrease the profit before tax by	65.56	68.15

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

66 Fair Value Measurements

(i) Financial Instruments by Category

(Rs. in Lakh)

Particulars	As at 31st March, 2023				As at 31st March, 2022			
	Carrying Amount	Level of input used in			Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets								
Amortised cost								
Trade Receivables	3,152.80	-	-	-	4,020.83	-	-	-
Cash and Cash Equivalents	964.87	-	-	-	799.02	-	-	-
Other Bank Balances	23.03	-	-	-	15.03	-	-	-
Loan	-	-	-	-	1,729.34	-	-	-
Security Deposits	7,171.33	-	-	-	7,589.19	-	-	-
Other Financial Assets	12,916.16	-	-	-	3,760.73	-	-	-
Total	24,228.19	-	-	-	17,914.14	-	-	-
Financial Liabilities								
Amortised cost								
Borrowings	90,055.14	-	-	-	86,952.43	-	-	-
Trade Payables	2,338.04	-	-	-	2,205.38	-	-	-
Creditors for Capital Goods	2,089.97	-	-	-	1,628.75	-	-	-
Security Deposits	1,697.68	-	-	-	1,388.49	-	-	-
Financial guarantee obligations	309.98	-	-	-	309.98	-	-	-
Lease Liabilities	14,803.40	-	-	-	21,312.28	-	-	-
Other financial liabilities	51,238.82	-	-	-	41,504.70	-	-	-
Total	1,62,533.03	-	-	-	1,55,302.01	-	-	-

(ii) Fair Valuation techniques used to determine fair value

The Group maintains procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(iii) The Group assessed that the fair value of cash and cash equivalents, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

(iv) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measure at fair value. To provide an indication about the reliability of the inputs used in determing fair value, the Group has classified its financial instruments into three levels prescribed under the accounting standard.

(a) Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices.

(b) Level 2 - The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(c) Level 3 - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity shares, contingent consideration and indemnification assets included in level 3.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

67 **Capital Management**

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide the return to shareholders and benefit to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares (if permitted). The Group monitors capital using a gearing ratio, which is total debts divided by total equity.

As stated in Notes to accounts, the Group is also having scheme of arrangements to reorganize the capital structure.

(Rs. in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Total Debts	1,40,914.13	1,28,083.74
Total Equity	15,774.57	31,222.62
Total debt to equity ratio (Gearing ratio)	**8.93**	**4.10**

Notes:-

(i) Debt is defined as non-current and current borrowings including current maturities of borrowings, interest accrued.

(ii) Total equity (as shown in balance sheet) includes issued capital and all other equity.

(iii) Total debt figures are without considering effect on default of repayment of borrowings and interest thereon. (Refer note nos. 49, 50 and 51).

Debt Covenants

Under the terms of Restructuring Agreement (RA), the Group is required to comply with, interalia, following financial covenants:

Without prior approval of lender, the Group shall not:

(a) **Loans, debenture & charge** - Issue or subscribe to any debentures, shares, raise any loans, deposit from public, issue equity or preference capital, change its capital structure or create any charge on its assets including its cash flow or give any guarantees.

(b) **Dividend on equity shares** - declare/pay dividend on equity shares unless otherwise approved by the Lender/Business Monitoring Committee in accordance with the provisions of RA.

(c) **Investments by Borrower** - make any investments by way of deposits, loans, share capital etc. in any concern or elsewhere without prior approval of the Lender / Business Monitoring Committee.

(d) **One time Settlement** - enter into any one time settlement or any other settlement with any lenders other than the Lender, without prior written approval of the Lender, as may be permitted under RA and disclosed to the Lender.

(e) **Assignment** - assign or transfer of any of its right and obligations to any third party.

(f) **Related party transactions** - enter into any related party transactions for an amount exceeding Rs. 10 Lakh per month subject to business structure and agreed by Lender.

In order to achieve this overall objective, the capital management, amongst other thing, aims to ensure that it meets financial covenants attached to the interest bearing Loans and borrowings that define capital structure requirements, there have been breaches in the financial covenants of Interest bearing loans and borrowing in the current period and previous period.

The Parent Company has not proposed any dividend in last three years in view of losses incurred.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

68 **Revenue from contracts with customers (IND AS 115)**

The Group disaggregates revenue from contracts with customers by type of products and services, geography and timing of revenue recognition.

Revenue disaggregation by type of services is given note no. .

Revenue disaggregation by geography is as follows:

(Rs. in Lakhs)

Geography	Year Ended 31st March, 2023	Year Ended 31st March, 2022
India	14,257.66	15,014.12
Outside India	-	-
Total	**14,257.66**	**15,014.12**

Revenue disaggregation by timing of revenue recognition is as follows:

(Rs. in Lakhs)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Services transferred over time	14,251.66	15,011.12
Consideration on Lease of Land	6.00	3.00
Total	**14,257.66**	**15,014.12**

Transaction Price allocated to remaining performance obligations:

The aggregate amount of the transaction price with respect to lease of warehouse which was carried out in FY 2021-22 allocated to the performance obligations that are to be satisfied as of 31st March, 2023 amounts to Rs. 1,591.95 Lakh (31st March, 2022 - Rs. 2,122.60 Lakh) as per Lease Deed. The remaining performance obligation are subject to several factors including Panvel storage revenue, cash flow cover, collections within 90 days or as mutually agreed. The management of the Parent Company expects that 100% of the unsatisfied performance obligation will be recognised as revenue during the next 3 years amounting to Rs. 1,591.95 Lakh.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

69 Information required for Consolidated Financial Statement pursuant to Schedule III of the Companies Act, 2013

S. No.	Name of the entity	FY 2022-23							
		Net assets		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated Net Assets	Rs. In Lakh	As % of Consolidated Profit or Loss	Rs. In Lakh	As % of Consolidated Other Comprehensive Income	Rs. In Lakh	As % of Consolidated Total Comprehensive Income	Rs. In Lakh
I	Parent Indian:								
1	Arshiya Limited	464.59%	73,286.79	115.71%	(18,148.18)	64.16%	4.44	115.73%	(18,143.74)
II	Subsidiaries Indian:								
2	Arshiya Northern FTWZ Limited	-21.20%	(3,344.37)	7.31%	(1,147.07)	18.50%	1.28	7.31%	(1,145.79)
3	Arshiya Technologies (India) Private Limited	-0.05%	(7.66)	0.00%	(0.64)	-	-	0.00%	(0.64)
4	Arshiya Lifestyle Limited	13.00%	2,049.91	0.25%	(39.51)	2.46%	0.17	0.25%	(39.34)
5	Arshiya Logistics Services Limited	-6.84%	(1,078.75)	5.69%	(891.83)	6.65%	0.46	5.69%	(891.37)
6	Arshiya Northern Projects Private Limited	-0.12%	(19.06)	0.01%	(2.24)	-	-	0.01%	(2.24)
7	Arshiya Infrastructure Developers Private Limited	-0.02%	(3.59)	0.01%	(1.12)	-	-	0.01%	(1.12)
8	Unrivalled Infrastructure Private Limited	-0.01%	(1.97)	0.01%	(1.33)	-	-	0.01%	(1.33)
9	Arshiya Data Centre Private Limited	-1.92%	(302.34)	0.77%	(120.25)	-	-	0.77%	(120.25)
III	Stepdown Subsidiary:								
	Held through Arshiya Logistics Services Limited								
10	Arshiya 3PL Services Private Limited	-1.45%	(228.11)	(0.11%)	16.59	4.05%	0.28	(0.11%)	16.88
11	Arshiya Panvel Logistics Services Private Limited	-5.61%	(884.23)	5.68%	(890.29)	4.19%	0.29	5.68%	(890.00)
12	Arshiya Distribution Hub Private Limited	0.00%	0.39	0.00%	(0.33)	-	-	0.00%	(0.33)
	Held through Arshiya Lifestyle Limited								
13	Arshiya Panvel FTWZ Services Private Limited	4.78%	754.01	(0.02%)	2.56	-	-	(0.02%)	2.56
	Consolidation Adjustments/Eliminations*	-345.15%	(54,446.45)	(35.31%)	5,538.94	-	-	(35.33%)	5,538.94
	Total	100.00%	15,774.57	100.00%	(15,684.69)	100.00%	6.92	100.00%	(15,677.77)

Arshiya

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

S. No.	Name of the entity	FY 2021-22							
		Net assets		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated Net Assets	Rs. in Lakh	As % of Consolidated Profit or Loss	Rs. in Lakh	As % of Consolidated Other Comprehensive Income	Rs. in Lakh	As % of Consolidated Total Comprehensive Income	Rs. in Lakh
I	Parent Indian:								
1	Arshiya Limited	292.10%	91,200.80	94.73%	40,157.04	90.11%	(6.65)	94.73%	40,150.39
II	Subsidiaries Indian:								
2	Arshiya Northern FTWZ Limited	(7.04%)	(2,198.56)	-13.91%	(5,897.25)	(15.45%)	1.14	(13.91%)	(5,896.11)
3	Arshiya Technologies (India) Private Limited	(0.02%)	(7.02)	0.00%	(0.87)	-	-	(0.00%)	(0.87)
4	Arshiya Lifestyle Limited	6.69%	2,089.25	0.04%	16.69	10.84%	(0.80)	0.04%	15.89
5	Arshiya Logistics Services Limited	(0.60%)	(187.38)	0.01%	4.07	7.99%	(0.59)	0.01%	3.48
6	Arshiya Northern Projects Private Limited	(0.05%)	(16.81)	-0.01%	(4.36)	-	-	(0.01%)	(4.36)
7	Arshiya Infrastructure Developers Private Limited	(0.01%)	(2.47)	0.00%	(0.79)	-	-	(0.00%)	(0.79)
8	Unrivalled Infrastructure Private Limited	(0.00%)	(0.64)	0.00%	(0.57)	-	-	(0.00%)	(0.57)
9	Arshiya Data Centre Private Limited	(0.58%)	(182.09)	-2.92%	(1,236.91)	-	-	(2.92%)	(1,236.91)
10	Anomalous Infra Private Limited	-	-	-1.40%	(595.24)	-	-	(1.40%)	(595.24)
11	AMD Business Support Services Private Limited	-	-	0.00%	(0.04)	-	-	(0.00%)	(0.04)
III	Stepdown Subsidiary:								
	Held through Arshiya Logistics Services Limited								
12	Arshiya 3PL Services Private Limited	(0.78%)	(244.98)	-0.02%	(8.60)	1.08%	(0.08)	(0.02%)	(8.68)
13	Arshiya Panvel Logistics Services Private Limited	0.02%	5.77	0.01%	5.89	5.42%	(0.40)	0.01%	5.49
14	Arshiya Distribution Hub Private Limited	0.00%	0.72	0.00%	(0.28)	-	-	(0.00%)	(0.28)
	Held through Arshiya Lifestyle Limited								
15	Arshiya Panvel FTWZ Services Private Limited	2.41%	751.45	0.01%	4.38	-	-	0.01%	4.38
	Consolidation Adjustments/Eliminations*	(192.12%)	(59,985.42)	23.47%	9,947.61	-	-	23.47%	9,947.61
	Total	100.00%	31,222.62	100.00%	42,390.77	100.00%	(7.38)	100.00%	42,383.39

* The above figures for the Parent Company and subsidiaries are presented before intercompany eliminations and consolidation adjustments in order to conform to the respective financial statements of the Parent Company and Subsidiaries.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

70 During the course of preparation of consolidated financial statements, e-mails have been sent to various parties, in respect of trade receivables and trade payables, etc. with a request to confirm their balances, out of which only few parties have responded. The management is confident and is of the view that there will not be any material variation in the said balances.

71 The Group has requested all its lenders for independent confirmation of their outstanding as on 31st March 2023 with a request to confirm their balances directly to the statutory auditors. The Group is confident that there will not be significant changes in its liabilities.

72 During the year ended 31st March 2020, the Central Bureau of Investigation conducted a search on the Parent Company based on a complaint of UCO Bank, which is no longer a lender to the Parent Company since 31st March 2017. In this regard, the Parent Company has filed a petition with the Hon'ble High Court of Bombay. The Hon'ble High Court of Bombay has given interim relief in favour of the Parent Company whereby all the adverse actions, if any has been stayed by the Hon'ble High Court as prayed and the matter is now sub-judice.

73 During the year, the Parent Company and its subsidiaries have allocated certain common costs and expenses incurred by them, to their related parties aggregating to Rs. 281.48 Lakh (31st March, 2022 - Rs. 227.82 Lakh.) based on management's estimates of such costs and expenses attributable to them. Hence, certain expenses stated under Other expenses (Refer Note No. 41) are presented as net of allocation of certain common costs and expenses.

74 The Parent Company has also issued financial guarantees aggregating to Rs. 93,900.00 Lakh to the lenders of an erstwhile subsidiary company. In the opinion of the management, the value of primary / underlying assets provided as securities by the borrowing companies is higher than the estimated amount of restructured loans and hence in view of the management no additional liability is expected to devolve on the Group on resolution of debt. In view of the above, no provision on account of the same is made at this stage.

75 The Group has Property, Plant & Equipment with gross block aggregating to Rs. 1,33,170.11 Lakh (written down value aggregating to Rs. 1,17,417.83 Lakh), Capital Work in Progress (CWIP) amounting to Rs. 221.44 Lakh and inventory of Rs. 12,537.34 Lakh. The value of these assets of the Group has been carried forward on the basis of existing accounting policies, and these values are supported by the commercial value realised in the past. The fair value of assets and liabilities of the Group cannot be determined till the completion of the ongoing discussions for resolution of debt or proceedings and may appear prejudiced, if carried at this stage. In view of the above, no provision for impairment is made at this stage in the consolidated financial statement.

In the previous year, in accordance with the Indian Accounting Standard (IND AS -36) on "Impairment of Assets", the management had carried out an exercise of identifying the assets that may have been impaired in accordance with the said IND AS. On the basis of that review carried out by the management, there was no impairment loss on property, plant and equipment during the year ended 31st March, 2022.

76 Parent Company has entered into an agreement for purchase of land which is of strategic importance, from a related party. An Agreement to Sale has been entered into and the definitive agreements are in the process of being executed. The said transaction is expected to be completed by December 2023. The purchase consideration has been adjusted against the advance recoverable from the related party of Rs. 4,487.43 Lakh as on 31st March, 2023. Further, the Parent Company has made fair value adjustments amounting to Rs. 1,442.58 lakh during the year against the said advances.

77 During the year ended 31st March, 2023, the Parent Company has allotted 12,00,000 equity shares to eligible employees under the Arshiya Limited Employee Stock Option Scheme 2019 upon exercise of the option. Post allotment of aforesaid shares, the paid up capital of the Parent Company have been increased to Rs. 5,269.52 Lakh divided into equity shares 26,34,75,915 of face value of Rs. 2/- each.

78 The Subsidiary Company i.e. ANFL is required to appoint a Company Secretary as per section 203 of the Companies Act, 2013. The Subsidiary Company has not complied with the said requirement.

79 The Parent Company and a subsidiary had given jointly or severally guarantees to a lender of Rs. 18,500.00 Lakh on behalf of Mira Supply Chain Management Private Limited when it was subsidiary till January 2018, of the Parent Company. The Parent Company charged guarantee commission @ 0.5% per annum on outstanding loan amount of Rs. 2,965.11 Lakh. Further, the said company has defaulted in repayment of its dues to the lenders.

80 **Other Statutory Informations**

(a) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(c) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(d) Below outstanding balances with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act,1956.

(Rs. in Lakhs)

Name of struck off companies	Nature of transactions	As at 31st March, 2023	As at 31st March, 2022
Worldline Tradex Private Limited (Under Process of Striking Off)	Security deposit	(0.23)	(0.18)
Inventech Tradexim Private Limited (Under Process of Striking Off)	Security deposit	4.79	(0.81)
Tregti Entrepreno Private Limited (Struck Off)	Receivables	9.71	9.71
Enterpride Business Ventures Private Limited (Under Process of Striking Off)	Receivables	24.55	24.55

(e) No proceeding has been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(f) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(g) The Group does not have any pending creation of charges or satisfaction of charges which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period except in one of the case, where one of the Subsidiary Companies i.e. ANFL availed facility from a lender and a Second Charge on the mortgaged properties, which was required to be registered with ROC by 30th June, 2022 has not been registered leading to delay by 275 days as on 31st March, 2023.

(h) The Group has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(i) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(j) Utilisation of borrowed funds as on 31st March, 2023, there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.

(k) The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to the Parent Company but the Parent Company has voluntarily adopted the CSR policy in 2018.

(l) During the year the Group has not entered into any scheme of arrangements in terms of sections 230 to 237 of the Companies Act, 2013. (Refer Note No. 53 for previous year).

81 VAT refund receivable classified as current assets in previous year amounting to Rs. 2,191.10 Lakhs is reclassified to non-current assets during the year.

82 The Parliament of India has approved the Code on Social Security, 2020 ("the Code") which, inter alia, deals with employee benefits during employment and post employment. The effective date of the Code is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. In view of this, the impact of the change, if any, will be assessed and recognised post notification of the relevant provisions.

Notes forming part of Financial Statements

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration Number 116560W/W100149

For and on behalf of the Board of Directors of Arshiya Limited

Milan Mody
Partner
Membership Number: 103286

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Place: Mumbai
Date: 30th May, 2023

Dinesh Kumar Sodani
Chief Financial Officer

Navnit Choudhary
VP - Commercial

Ajit Dabholkar
Company Secretary

Notes to the Consolidated Financial Statements for the year ended 31st March, 2023

Statement containing the salient features of the financial statements of subsidiaries / associates companies / Joint Ventures
[Pursuant to first proviso to sub-section (3) of section 129 of the companies Act, 2013, read with rule 5 of the companies (Accounts) Rules, 2014 - AOC-1]

(Rs. in Lakh)

S.No.	Name of the subsidiary	Financial Period ended	Currency	Equity	Other Equity	Total assets	Total liabilities (excluding equity and other equity)	Investments	Turnover	Profit / (Loss)before taxation	Provision for taxation	Profit / (Loss) after taxation	% of Share holding(1*)
1	Arshiya Northern FTWZ Limited	31st March, 2023	INR	1,086.87	(4,431.24)	69,766.25	73,110.62	-	382.25	(1,147.09)	-	(1,147.09)	100%
2	Arshiya Technologies (India) Private Limited	31st March, 2023	INR	10.12	(17.78)	0.42	8.08	-	-	(0.64)	-	(0.64)	100%
3	Arshiya Lifestyle Limited	31st March, 2023	INR	148.50	1,901.41	9,280.37	7,230.46	1.00	9,221.46	5.87	45.38	(39.51)	100%
4	Arshiya Logistics Services Limited	31st March, 2023	INR	160.00	(1,238.75)	1,379.67	2,458.42	7.00	3,377.71	(891.83)	-	(891.83)	100%
5	Arshiya Northern Projects Private Limited	31st March, 2023	INR	5.00	(24.06)	0.59	19.45	-	-	(2.24)	-	(2.24)	100%
6	Arshiya Infrastructure Developers Private Limited	31st March, 2023	INR	1.00	(4.59)	-	3.59	-	-	(1.12)	-	(1.12)	100%
7	Unrivalled Infrastructure Private Limited	31st March, 2023	INR	1.00	(2.97)	12.63	14.60	-	-	(1.33)	-	(1.33)	100%
8	Arshiya 3PL Services Private Limited	31st March, 2023	INR	5.00	(233.11)	196.97	424.08	-	349.78	16.59	-	16.59	Nil (2*)
9	Arshiya Panvel Logistics Services Private Limited	31st March, 2023	INR	1.00	(885.23)	962.37	1,846.60	-	2,463.18	(890.29)	-	(890.29)	Nil (2*)
10	Arshiya Panvel FTWZ Services Private Limited	31st March, 2023	INR	1.00	753.01	10,760.46	10,006.45	-	3,182.46	3.03	0.47	2.56	Nil (3*)
11	Arshiya Data Centre Private Limited	31st March, 2023	INR	1.00	(303.34)	13,277.15	13,579.49	-	-	(120.25)	-	(120.25)	100%
12	Arshiya Distribution Hub Private Limited	31st March, 2023	INR	1.00	(0.61)	0.90	0.51	-	-	(0.33)	-	(0.33)	Nil (2*)

(1*) % of Share holding including beneficial interest/ voting power (either directly/indirectly or through subsidiaries).
(2*) 100% held through Arshiya Logistics Services Limited
(3*) 100% held through Arshiya Lifestyle Limited

For and on behalf of the Board of Directors of Arshiya Limited

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Dinesh Kumar Sodani
Chief Financial Officer

Navnit Choudhary
VP - Commercial

Ajit Dabholkar
Company Secretary

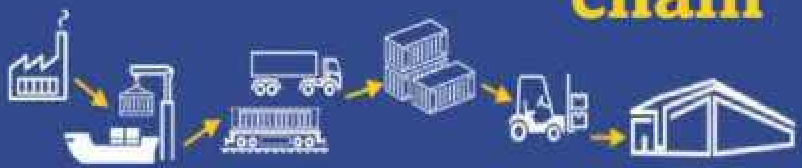
Place: Mumbai
Date: 30th May, 2023

Arshiya

India's foremost integrated

supply chain and **logistics**

infrastructure solutions provider



--**Registered Office: Arshiya Limited**--

205, 2nd Floor, Ceejay House, F Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai–400018

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